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SPEECHES

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PUBLISHERS' NOTE.

The publishers desire to express their thanks to the Hon. Mr. Gokhale for his kind permission to bring out his publication. It is the first collection of his speeches and may claim to be fairly exhaustive, no important pronouncement of his having been omitted. The book contains four parts and an appendix. The first part includes all his utterances in the Supreme Legislative Council and in the Bombay Legislative Council; the second, all his Congress speeches, including his presidential address at Benares; the third, speeches in appreciation of Hume, Naoroji, Ranade, Mehta and Bonnerjee; the fourth, miscellaneous speeches delivered in England and India. The appendix contains the full text of his evidence both in chief and in cross-examination before the Welby Commission and various papers. These cover nearly a quarter of a century of a most strenuous, selfless and active public life and embrace the whole range of topics that have engaged and are still engaging the attention of the public. Full of instruction on every point and breathing in every line the moral fervour which is Mr. Gokhale's supreme characteristic, this volume, the publishers venture to hope, will command wide popularity.

The publishers would take this opportunity to thank Mr. V. S. Srinivasa Sastri for the great help rendered by him in passing this volume through the press and for the valuable assistance he has been always giving them in the preparation of several of their publications.

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APPENDIX.

| | | | |
|-----|----|------|-------|
| 21 | 26 | Vote | Veto. |
| 153 | 14 | 84 | 34. |

CONTENTS.

Introduction.

PAGE.

Part I.—Council Speeches.

THE IMPERIAL LEGISLATIVE COUNCIL.

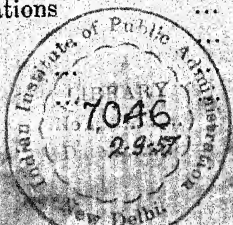
| | | | |
|---|-----|-----|------|
| Budget Speech. 1902 | ... | ... | 1 |
| Budget Speech. 1903 | ... | ... | 46 |
| Budget Speech. 1904 | ... | ... | 89 |
| Budget Speech. 1905 | ... | ... | 117 |
| Budget Speech. 1906 | ... | ... | 155 |
| Budget Speech. 1907 | ... | ... | 189 |
| Budget Speech. 1908 | ... | ... | 218a |
| House Accommodation in Cantonments | ... | ... | 219 |
| The Official Secrets Act | ... | ... | 225 |
| The Indian Universities Act | ... | ... | 242 |
| The Universities Validation Act, 1904 | ... | ... | 295 |
| Co-operative Credit Societies | ... | ... | 321 |
| The Sindh Encumbered Estates Act, 1896. | ... | ... | 330 |

THE BOMBAY LEGISLATIVE COUNCIL.

| | | |
|------------------------------|-----|-----|
| Financial Statement, 1900-01 | ... | 342 |
| Financial Statement, 1901-02 | ... | 369 |
| The Bombay Land Revenue Bill | ... | 390 |
| The Bombay Abkari Act, 1878 | ... | 433 |
| Mofussil Municipalities Bill | ... | 447 |

Part II.—The Congress Speeches.

| | | |
|---|-----|-----|
| Benares Congress Presidential Address | ... | 466 |
| Reduction of Salt duty | ... | 515 |
| Employment of Indians in the Public Service | ... | 521 |
| Reformed Legislative Councils | ... | 534 |
| Simultaneous Examinations | ... | 544 |
| Salt Duty | ... | 551 |
| Famine Relief | ... | 556 |
| Surpluses | ... | 562 |



Part III.—Personal.

| | | |
|----------------------------|-----|-----|
| Mr. A. O. Hume | ... | 581 |
| Mr. Dadabhai Naoroji | ... | 587 |
| Mr. Mahadev Govinda Ranade | ... | 596 |
| Mr. W. C. Bonnerjee | ... | 636 |
| Sir P. M. Mehta | ... | 642 |

Part IV.—Miscellaneous.

SPEECHES IN ENGLAND AND INDIA.

| | | |
|--|-----|-----|
| The Discontent in India | ... | 647 |
| An Indian view of Indian Affairs | ... | 657 |
| Indian Affairs | ... | 671 |
| The Situation in Eastern Bengal | ... | 686 |
| Recall of Sir B. Fuller | ... | 697 |
| England's duty to India | ... | 706 |
| The Home Charges | ... | 726 |
| The Elevation of the Depressed Classes | ... | 740 |
| Farewell to Fergusson College | ... | 748 |
| Our Political Situation | ... | 754 |
| Advice to Students | ... | 770 |
| The Work Before us | ... | 778 |
| The Swadeshi Movement | ... | 795 |
| Protest against the Caucus | ... | 821 |

Appendix.

| | |
|---|-----|
| A. Evidence-in-chief before the Welby Commission. | i |
| B. Evidence in Cross-Examination before the Welby Commission | 1 |
| C. Female Education in India | 133 |
| D. Self-Government | 143 |
| E. Education in India | 151 |
| F. Note on Decentralization | 169 |
| G. The Servants of India Society | 182 |
| H. The Seditious Meetings Act | 187 |

INTRODUCTION.

THE present time in India is full of portents. One never opens the day's newspaper without anxiety. Strange but powerful ideas have found lodgment in men's minds. The air is thick with shadowy visions of the future, fantastic plans, harrowing doubts, black designs, born of blind hope or unreasoning despair. Political postulates, hitherto accepted without question, are freely challenged. The very foundations of our public life are being torn up and examined. A feeling of intense uneasiness broods over the land, and the more susceptible spirits cry in anguish that they have been the victims of foul treachery.

A friendly and comforting voice at such a juncture must have eager attention. To those whose minds have not been unhinged by the misfortunes of the time, the speeches of the Hon. Mr. Gokhale are certain to bring relief and strength. Alarmed by the distracted cries of quacks, the public will be glad to listen to the calm counsel of one who has made public ills his special study. Keenly alive to every element of the situation, Mr. Gokhale, as will appear from the contents of this volume, bids us be of good cheer, advises no violent wrench from the past, and strongly deprecates violent remedies and desperate suggestions.

The Maharashtra Brahman, whom Mr. Gokhale represents at his best, is no favourite with Anglo-India. We all know his caricature by the *Pioneer*. Wiles, restless intrigue, and elusiveness are represented to be his strong points, while his political capacity is limited to the sphere of destruction. Amongst the last people in India to pass under the direct rule of the British, it is no wonder that he retains lively memories of Peshwa domination and exhibits the acutest political instincts of all races in India. In other parts of the country one may find large numbers of educated men in whose lives politics is of feeble interest at normal times, and but one of several powerful interests at abnormal times. With the Poona Brahman, politics is ever a passion, and it does not take much to raise the passion to a white heat. He readily sees the precise bearing and import of governmental measures, and, if his inferences as to motive be marked by suspiciousness, it is not altogether his fault. He is excelled in imagination, susceptibility, and even in the higher qualities of the intellect by the Bengalee; in keenness of grasp, clearness of vision, and sense of proportion the Madrassi is quite his match, if not more; but for vigour of mind, dogged persistence, and capacity for practical work, he is certainly unrivalled. The Maratha supremacy, short-lived as it was, is an eloquent witness to the constructive capacity of the race, and Poona boasts at the present day of more

than one institution which proves his power of practical organisation and sustained zeal in unselfish causes. From the high polish, the graces and refinements of civilised life, he is distinctly averse. His poverty precludes him from great industrial or commercial undertakings. In the sphere of religion, the practical genius of the race has produced great devotees and saints. Literature, music and the other arts, he has cultivated to a high degree. For physical culture his aptitude has continued to this day. He has profited to the full by the opportunities available under British rule for developing the civic virtues. Sturdy and self-assertive, he always makes himself heard in the national councils, and, until the other day when the Bengal troubles began, held the first place for sacrifices made and sufferings undergone in the public cause. Social reform has all along remained his special field, woman in the Deccan enjoying, perhaps, greater freedom and respect than elsewhere in India. Nor is the contribution of Maharashtra to the roll of contemporary Indian greatness small. Chiplonkar, Ranade, Telang, Mandlik, Apte, Bhandarkar, Gokhale, Paranjpe, are names that no province of India can match except Bengal.

Gopal Krishna Gokhale was born in 1866 at Kolhapur. His parents were poor, but had him educated in the local college. After passing the Intermediate Examination, he took the B. A. course

principally in the Elphinstone College of Bombay and partly in the Deccan College of Poona. As a student he was known for a high degree of ability, a strong memory, and* steady application. On taking the B. A. Degree in 1884, he was admitted to membership of the Deccan Education Society,* which appealed to his ardent nature not merely by its aims and principles, but by the great names already associated with it, Apte, Agarkar, and Tilak. The now-famous Fergusson College had been recently started. Within a short time of his joining the staff, Mr. Gokhale was called upon to lecture to College classes on English Literature and occasionally on Mathematics. But it was the chair of History and Political Economy that he filled for the most part of his twenty

* Life-members of this Society bind themselves to serve in the Fergusson College and in the schools of the Society for a period of 20 years, after which they may retire on a pension of Rs. 30 per mensem. During service they get a monthly salary of Rs. 75 and their lives are insured for a sum of Rs. 3,000, the Society paying the premiums. Professors may build quarters on sites freely granted within the compound, and the Society undertakes to buy up the buildings on the retirement of the owners. Latterly, no member is admitted unless he has served a probation of six months and has taken the M. A. Degree. Religious education is excluded from the course of studies and is not given even out of college hours. A large hostel houses over 100 scholars and a number of messes, each managed by its own members. The Society now owns buildings and other property to the value of nearly 4 lakhs, and the College receives State aid on the most favourable scale, viz., Rs. 10,000 a year, besides a special grant of Rs. 50,000. The Bombay Presidency at large, and the Deccan, in particular, liberally support the College. Last year it received as a gift the valuable library of the late Rao Sahib V. N. Mandlik, estimated to have cost him between 50 and 60 thousand rupees.

years' service. Into the study of Economics he threw himself with such fervour and delight that he became an acknowledged authority on it, and his lectures came to be so highly prized that, when he retired at the end of his full term, it was felt that he inflicted a serious loss on the college. It was not merely as Professor that he laboured for the institution so dear to him. Though he may not share the glory of its foundation, the credit of establishing it on a sound financial basis is largely his. For several years he devoted all his holidays to the work of collecting funds, travelling incessantly, bearing hardships, and submitting to indignities which only those can understand who have tried to raise money for public purposes in India. To such as Mr. Gokhale, however, duty is a religion, and all suffering for it is a joy; and the man whom all India now delights to honour tells the story of his early begging as a priceless experience and without the least trace of personal vexation or annoyance. In this way he is said to have brought the college coffers upwards of two lakhs. Add to such work great earnestness and enthusiasm and a sound judgment; is it then a wonder that for many years Mr. Gokhale occupied a commanding position in the college, and that though he never was Principal, his influence was the greatest in the conduct of its affairs?

But college duties, exacting as they must have been in the earlier years, could not engross Mr. Gokhale's energy. Public life claimed a share of his attention and had its claim liberally allowed. It could not be otherwise while the Deccan lay under the guidance of that choice and master spirit of the age, Mr. Ranade. Of the rare gifts of that personality, not the least rare was the power of choosing young men of promise and so informing their minds and chastening their souls as to make them yield the highest service to the country of which their nature was capable. It has been said that Mr. Gokhale is Ranade's greatest legacy. And his greatest memorial. For fourteen years, the ample measure of ancient discipleship, Mr. Gokhale sat at the feet of his *guru*, learning to read the world aright and mastering the great lessons of life,—the progress and destiny of nations, the inner meaning of events, the far-off results of action, the discipline of failure, service and sacrifice, faith and prayer, the infinite play of human passion. But not alone the open book of Nature and Man,—other books, too, they read together. Nothing that was useful was overlooked. The ephemeral press was ransacked. Heavy tomes laid bare their treasures. Government publications, formidable in red, green and blue, had no terrors for this pair. Statistics in dread array yielded up their secrets. Earth has no fairer sight than the close communion of two such master-

souls. That blessing who would exchange for all the treasures and honours of the world ? No wonder Mr. Gokhale says that, since the departure of his *guru*, the world has never been the same to him as before. An angel, once seen, leaves a perpetual hunger in the heart.

The Sarvajanik Sabha of Poona was then at the height of its usefulness. Second to no public body in standing or weight, it commanded the respect both of Government and the country, and its quarterly journal, which owed, it has been computed, about two-thirds of its contents either directly or indirectly to Mr. Ranade, performed with signal ability the dual function of forming and disseminating public opinion, especially on questions of Indian finance and Indian administration. In 1887 Mr. Gokhale, then twenty-one, was called to the important office of Editor of this journal ; and this office, together with that of Secretary of the Sabha, he held until dissension, the original curse of Indian humanity in Maharashtra as elsewhere, compelled the founding of another political body called the Deccan Sabha, of which, too, the Rising Star of the Deccan, as Mr. Gokhale had come to be called, became Secretary. He was likewise for four years one of the editors of an Anglo-Marathi weekly of Poona, named the *Sudharak*. He was Secretary to the Bombay Provincial Conference for a similar period, and when in 1895 the Indian National Congress held its eleventh

session in Poona, Mr. Gokhale's services were at its disposal as one of the Secretaries. In 1897 he proceeded to England, along with men many years senior to give evidence before the Royal Commission on Indian Expenditure presided over by Lord Welby. One would fain have a peep into the young hero's heart as it rose and sank like the ship that bore him with hopes and fears and dreams of the coming ordeal. Suffice it to say that, thanks to the training he had received under Mr. Ranade, his grasp of principles and mastery of details were so thorough that he was enabled to stand the severe heckling to which the expert Commissioners subjected him, and he received encomiums for the way in which he had represented the case, and enhanced the reputation, of his countrymen. It is hardly possible to summarise the criticisms or the suggestions that he then advanced; but the special attention of the reader may be drawn to his analysis of the leading facts in the history of Indian finance, his examination of the constitution and expenditure of the Indian Army, and his remarks on the subordination of the interests of the taxpayers to those of the European services and the exclusion of Indians from the higher branches of public service.

While in England on this occasion, he received letters from Poona containing bitter complaints against the plague policy of the government of

Lord Sandhurst and describing the atrocities of English soldiers on plague duty. His indignation at the wrongs of his countrymen and countrywomen impelled, him to communicate the substance of these letters to the English Press. A great sensation was immediately produced, and the Bombay Government, put upon their trial, challenged Mr. Gokhale to produce his proofs. On returning to India he found his province lying prostrate and panic-stricken under the double scourge of plague and governmental oppression, and no evidence could be obtained wherewith to substantiate the charges. He then took the only step that a man of honour could take and openly apologised. For this act he was severely censured at the time by a section of his countrymen. But he himself has never regretted it, and maintains that he would repeat it, should the wheel of time bring those events round again. There can be no doubt that he acted in accordance with the best traditions of English public life, and won the approval of those most competent to judge. Some critics of the time who passed the apology condemned its terms as too object. But no reparation to the wronged parties would have been handsome which was not thorough, and if the apology had contained reservations, it would have been alike graceless and ungenerous. Unpleasant as the episode was, it served to bring out the true gentleman in Mr. Gokhale, and showed that in his

hands the honour of his political opponents was as safe as his own. For the time, however, the tide of unpopularity rose high and burst angrily over his head. He bore it without a murmur, feeling that it was a discipline meant for the strengthening of his heart; and instead of being upset by it as a less balanced nature might have been, he kept on his course straight and soon won the hearts of all, official and unofficial, by untiring exertions in mitigation of the plague.

During 1900 and 1901 Mr. Gokhale was an elected member of the Bombay Legislative Council. How seriously he took the duties of this responsible position may be judged by the half-dozen speeches of the period published in this volume. They furnish evidence not only that he studied thoroughly the official papers placed at his disposal, but that he diligently sought information and guidance from all possible quarters. The revenue administration of Bombay and the famine operations there seem to have been singularly wanting in consideration for the sufferings of the people affected. The non-official members found it necessary to attack official acts persistently. Mr. Gokhale's slashing criticism of famine relief operations in his first budget speech is a laborious piece of work, and forms a fitting prelude to his subsequent performance in the Imperial Legislative Council. The most powerful speech delivered by

Mr. Gokhale in the Bombay Council is the one in which he seconded the motion made by the Hon. Mr. Mehta to adjourn the consideration of the Bombay Land Revenue Code Amendment Bill of 1901. Most readers will remember the bitterness of the controversy that raged round this bill on account of the theatrical departure, as Anglo-Indian papers used to call it, of Mr. Mehta and other non-official Councillors as soon as the amendment was rejected. After proving that the legislation could not protect the ryots or break the power of the sowcar, both of which it aimed at doing, Mr. Gokhale proceeded to show how it would facilitate the inflow of the government revenue and establish indirectly the revolutionary principle of State landlordism, and wound up by an appeal to the Governor not to flout non-official opinion, but to use the giant's strength of the government majority in a large and conciliatory spirit. The appeal failed; and when the other members of his party withdrew from the Council Chamber, he followed them, unwilling, as he said, to bear even the small degree of responsibility for the bill that his presence at its further stages might seem to imply. The speech, however, told on the Council by reason of its earnestness, cogency, and fervour of pleading; and a European member is said to have remarked that after Mr. Gokhale's speech the Act fell still-born.

In 1902 when the Hon. Mr. Mehta vacated his seat on the Viceroy's Council, it was felt that the only suitable successor was Mr. Gokhale. Never deaf to duty's call, he accepted the exalted position and continues to occupy it to-day, having been elected for the fourth time by the Bombay non-official Councillors. Mr. Mehta had been accused by an Anglo-Indian official, and in consequence admired by the whole Indian public, for introducing a 'new spirit' into the debates in the Supreme Legislative Council. His successor went farther and in his first speech gave a new tone altogether to non-official criticism of the Budget. His attack on the surpluses as a grievous burden on the taxpayer, his plea for reduction of taxation, and his refutation of the official theory of the prosperity of the people at once arrested the attention of the whole country. It was clear that the new member would be a thoroughly competent and unsparing critic of Indian finance, and that no show of authority and mere beating of the official drum could make him pass official shibboleths unchallenged. It marked him out, as no less an authority than Mr. R. C. Dutt observed on a recent occasion, as 'the coming man' in India.

In the latter part of this year, 1902, Mr. Gokhale retired from the service of Fergusson College, which he had done so much to build up. Two more years

were wanting to make the full term of twenty years; but Mr. Gokhale had many months' leave to his credit, which he was allowed to enjoy preparatory to entire withdrawal. It was at eighteen in the first flush of youthful enthusiasm that he had vowed to serve the College on Rs. 75 a month. Another eighteen years, and we find him, with experience and wisdom, but with no less enthusiasm, making another but far harder vow,—to serve the country exclusively and whole-heartedly on very little beyond his pension of Rs. 30 a month. Public life in India, he said in bidding farewell to the college, has few rewards but many trials; and yet he felt irresistibly drawn to it. For a touching parallel he told the story of a fisherman whom the sea lured in all its moods, and who finally put out in a frail skiff and, though beaten back more than once, still ventured into the open waters and was before long swallowed up. In truth, however, whatever disappointments he may have experienced, the nation has nobly stood by him. In the land where Puran Bhagat is a familiar phenomenon, splendid sacrifice like Mr. Gokhale's cannot fail to evoke genuine admiration and loving gratitude. Political opponents too, even those closely associated with the Government, feel attracted by the absolutely disinterested character of his patriotism, and the tireless industry with which he toils for his mother country. Lord

Curzon, who was struck by his conspicuous ability and said it was a pleasure to cross swords with him in Council, was struck even more by his unexampled selflessness, and, in communicating the honour of a companionship of the Indian Empire, added a wish that India had more such sons to serve her. He sits enthroned in the hearts of his countrymen, who have given him the highest honour in their gift. To-day, if we omit our Grand Old Man, he is the one man in India who retains the esteem and love of all parties. The character and motives of every other patriot have been questioned by Extremist idol-breakers. Even during the last brief session of the Congress at Surat, when passion ran high and men did not weigh their words, the worst that one heard of Mr. Gokhale personally was that he was a good man in a bad cause. Full of honours, though not of years, with a record behind him of which any patriot may be proud and for which the future may have bright pages in store, Mr. Gokhale can, in the poet's words, "read his history in a nation's eyes," and is far indeed from the weather-beaten, tempest-tost, and shipwrecked mariner which he feared he might one day be, when first he set forth on the perilous voyage of public life.

In 1904, he visited the city of Madras in his capacity of Joint-General Secretary to the Indian National Congress, to which place he had been appointed at its previous session. The southern capital gave

him a magnificent reception. Like the rest of the country the good people of the south had been violently agitated over the Indian Universities Act and the Official Secrets Act, and observed with equal pride and thankfulness how valiantly Mr. Gokhale bore the brunt of the hopeless struggle in the Imperial Legislature, and how unweariedly he engaged now one combatant and now another, not excepting the sphere-shaker Lord Curzon, though the odds were so overwhelmingly against him. Sober men had been impressed to admiration by his three Budget speeches. Religious-minded people had discerned a heart deeply responsive to things of the spirit in the passionate outpourings of grief and affection with which he cherished the memory of his late *guru*. So it was that all classes joined with unaffected joy in the grateful task of welcoming and entertaining the illustrious visitor. The Press, including Anglo-Indian papers, published notices of his life and gave much space to his utterances. Students presented addresses, public bodies welcomed him, visitors thronged his quarters, and friends feted him. One function must have gladdened his soul, the laying of the foundation stone of the Ranade Library at Mylapore. "Remember," he said to the audience on the occasion, "remember when you come here that the eye of a great master, though himself no longer amongst us, is on you. Let that stimulate you to take the utmost advantage of the

facilities which this Library offers you. In proportion as you do this, you will have raised a true memorial to Mr. Ranade." Simple words, but minted from the heart and ringing true !

The year 1905 brought heavy work and heavier anxiety to Mr. Gokhale. The duties of Secretary to the Congress he shared with Mr. D. E. Wacha. In the Viceroy's Legislature, he had to resist strenuously, though ineffectually, the enactment of the extraordinary Act which, seeking to validate, thereby published, the ignorance, obstinacy, and irregularities of Provincial Governments to the world. Then he had to compile laborious tables from State returns for exposing at Budget time the disingenuous calculations by which Lord Curzon had tried to demonstrate 'the unexampled liberality' with which the British Government had admitted Indians to the higher ranks of its service. He had undertaken besides the Indian agency for the weekly periodical called *India*, which was nearly being given up for want of adequate support from the very people in whose name and for whose exclusive benefit it had been conducted against odds by the philanthropy and noble self-sacrifice of a few steadfast friends, European and Indian. The work of collecting funds for the Ranade Economic Institute was a sacred duty, which no distractions could long keep out of his mind. His mature experience and most anxious thought had been bestowed on the devising and

organising of the Servants of India Society, the first members of which were sworn in on the 12th of June this year. Besides, there devolved on him the mission to England which all the Provinces of India had undertaken at the previous Congress, but which only Bombay and the Punjab performed in the event. As if all this was not enough, just before he left India, a duty was cast on his shoulders far transcending the cumulative burdens already there both in the solemn responsibility it carried and in the severe strain it involved on his overtaxed constitution. In face of strong protests and overcoming his most unaffected reluctance, the Reception Committee of the forthcoming Congress at Benares would have him and none other for their President, and the country with one voice ratified and acclaimed the choice.

This year also saw the beginning of the extraordinary ferment in Indian public life which has continued unabated to this day. Coming on the top of a succession of reactionary measures and provoking speeches, the partition of Bengal, carried out under every circumstance of exasperation and humiliation, drove the highly sensitive Bengalees nearly mad. In the general wreck of moderation and faith that followed, even the Curzon-Kitchener controversy, culminating in the removal of the hated cause of Bengal's woes from the scene of his mischievous activity, brought no sensible relief. Boycott of everything foreign was

preached to the people, even schools and colleges falling under the indiscriminating ban; and in the course of this hysterical propaganda, schoolboys and editors often collided with the authorities. Sir B. Fuller, whose temper was too imperious to allow for the disturbed state of his subjects, began that course of hectoring, repressing, and terrorising that finally recoiled on himself. Swaraj, in absolute independence of the selfish and hateful Feringhee, was held up as the goal of our aspirations, and though the prominent apostles of the new faith expressly disavowed the use of force or violence of any sort, the popular mind could not always remember the distinction between passive resistance and active resistance. Physical courage was sedulously cultivated; *lathi* play became the chief pastime of youth; an affray with the police was celebrated as an encounter with tyranny, and martial honours were given to young men on whose bodies constables had left marks of their anger. Undignified and even puerile as these things might seem, they were but the extravagances of a radical and serious change that had come over the spirit and temper of the people. Men thought with shame of the vices and weaknesses of character that had lost them their beautiful country and longed eagerly for the experiences which should put grit into their bodies and rage into their souls. The Government was cruel, it was unjust; it impoverished, emasculated, and

trampled on the people. What else could it be or do ? Was it not foreign ? Aye, there's the rub ! True, there was order in the land, there was security, there were roads, railways, and other material appliances of civilisation. But surely they were only rendering the administration easier and more profitable to the foreigner. On the people's minds they acted like a hypnotic illusion or *maya*, which must be dispelled at once. Welcome then oppression and disorder ! The more these grow, the quicker will sound the doom of the foreign yoke. Even history has its own lessons for sour hearts. England has never been a friend of freedom except where her own interests made such a role profitable. Look at Ireland. To her own people nothing in the nature of a privilege was granted without violent agitation, windows smashed, bones broken, and mobs fired on. Away with remonstrances and mile-long memorials ! Our only charter, the Queen's Proclamation, was the result of the Great Mutiny. If our demands be not granted, we must be resolved to know the reason why. How were the plague atrocities stopped in Poona ? What is the inner history of the resignation of Sir B. Fuller ? Why did Lord Minto refuse his assent to the Punjab Colonisation Bill ? Again, are Englishmen more than human ? They must hold their interests dearer than ours. Every concession granted to us is a blow to their prestige. Every contraction of their market means starvation to

hundreds of their workmen. Every post thrown open to us is a post denied to their sons. They must be mad if they yield anything so long as they can help it. Ideas like these, now openly inculcated, now conveyed in impressive whispers, and brooded over by eager minds smarting under a sense of wrong, could lead but to one result. They destroyed the faith that the younger generation might have had in the old lines of public work, and disposed the new patriotism to the adoption of methods which were fancied to be at once more manly, stern, and efficacious. On the other hand, a clear gain has been the remarkable wave of feeling that has swept over the entire land, uniting millions by that strongest of all ties, sufferings shared together. The idea of a common nationality has almost for the first time emerged into the general consciousness as an end to be striven for at all costs. *Swadeshi* and *Vande Mataram* are names that at once signify and sanctify the new programme and the new spirit; and they supply the watchwords so indispensable to the spread of a great cause, watchwords that evoke the highest service and sacrifice, invest life with a new meaning and a new dignity, and transmute suffering into joy and death into a deathless destiny.

England too was on the eve of a General Election when Mr. Gokhale landed. Mr. Balfour's effete ministry fell ingloriously, and the country was to

transfer confidence and power to the Liberals with an unprecedented majority. Lala Lajpat Rai, the Punjab delegate, was likewise there; and a vigorous and unbroken campaign was kept up with the generous aid of our English friends. Mr. Gokhale was his own secretary, amanuensis, and attendant as well, and the strain on his frame and nerves may be imagined when it is said that he addressed more than 45 meetings in little over 50 days, travelling frequently to keep his engagements, writing notes and letters, interviewing and being interviewed in the few gaps of time that remained. His general health began to be affected, while his throat was so sore that on his return he had to undergo an operation on board the steamer. Even so his voice was too feeble to bear the strain of the President's work at Congress, and after the first effort completely broke down. Of his actual performance in England praise is simply superfluous. His criticism was fearless and thorough. Lord Curzon's *regime* gave no end of themes for attack. But the poverty of the people, their appalling ignorance, the increasing death-rate, the indebtedness of the peasantry and the frequency of famines, the low state of sanitation furnished a gruesome background for the picture. The devouring Military expenditure, the enormous drain of the country's resources, the denial even to competent Indians, at one time tacit, but now avowed, of a

due and proper share of the higher services, the subordination and neglect of Indian interests in the management of finance and conduct of affairs, and the profound moral debasement caused by the disarmament of the whole nation and compulsory disuse of the highest faculties of pluck, initiative, and guidance of bold policies, each had its due place and just emphasis in an indictment admirably conceived and aptly phrased. The benefits that India had obtained from British rule did not fail to get generous appraisal and praise. And the demands of reform put forth were adjusted with scrupulous care to the capacity of slow-moving India, the susceptibilities of jealous Anglo-India, and the practical sense of the British people averse to theories and systems in politics. It would be useful to state the more important of these demands as nearly as possible in Mr. Gokhale's own language.

Fifty years ago an English representative on the Council suggested a reform with which they would be satisfied to-day. It was that half the members of the Viceroy's Council should be nominated by the people, that these representatives should have power to divide the Council on financial as on other matters, that the Viceroy should have the power of veto. So that if the Council carried a vote against the Viceroy, the Viceroy would be able to veto it if he thought fit. He (Mr. Gokhale) was prepared to limit the right of each member of the Council to one amendment. With regard to Provincial Councils, he asked that they should have more control because they dealt with internal affairs. He would ask for another reform. In the Secretary of State's Council for India, they had a system under which the Secretary of State, who had never been in India, was advised by a Council of ex-Indian officials—all able men, but hardened in the traditions of the service. The people had a right to ask that at least three or four should be representa-

tives of the Indian people, so that the Secretary of State should always be sure of having the Indian view of any question on which he was asked to decide. The fourth thing he would ask was—and no doubt that would be more difficult—that half-a-dozen Indian representatives—say two from each of the three leading provinces—should have places found for them in the British House of Commons. Six Indians out of a total of 670 members would not introduce any great disturbing influence—but, at any rate, it would ensure that the Indian view of Indian questions would be submitted to the House of Commons and the country. Their numbers would be small, but when they were united they would represent a great moral force. Moreover, it would associate them with the controlling body of the whole Empire, and elevate them from the position of a subject race to an equality with the rest of the Empire.

On returning to India Mr. Gokhale was welcomed both at Bombay and at Poona with every token of approbation and gratitude, and it was remarked at the time as a good omen for the future harmony of public life that Mr. Tilak joined in the congratulations and admitted the necessity of such political missions to England. Mr. Gokhale had no time for the repose that he so much needed. From one tumult of sensations he was to be hurried into another tumult of sensations and whirl of duties at Benares with but a brief interval in Calcutta for the composition of the Presidential address for which all India and a considerable part of England were straining their ears. The address opened with a striking comparison of Lord Curzon to Aurangzeb, dealt fully with the Partition of Bengal, justified the boycott of British goods by Bengal, unfolded the implications of the Swadeshi doctrine at its highest, expounded the aims of the Congress, showed up the opposition of the bureaucracy, recom-

mended a list of reforms on which the Congress should concentrate its efforts, and concluded with a reference to the new Secretary of State and a quotation from Mr. Ranade calling up a vision of India in the future. Taken up entirely with topics of immediate and practical interest, the address had no room for those maxims, sallies, and generalisations which enliven and adorn other Presidential orations. Particular interest attaches to the terms used of Mr. Morley who has since dashed so many hopes to the ground and caused such bitter anguish in ardent Indian hearts. Sensitive as Mr. Gokhale is to every breeze of hope and every breath of fear, it is wonderful how reserved and delicately balanced his early anticipations were. "And as regards the new Secretary of State for India, what shall I say? Large numbers of educated men in this country feel towards Mr. Morley as towards a master, and the heart hopes and yet trembles as it had never hoped or trembled before. He, the reverent student of Burke, the disciple of Mill, the friend and biographer of Gladstone,—will he courageously apply their principles and his own to the government of this country, or will he, too, succumb to the influences of the India Office around him and thus cast a cruel blight on hopes which his own writings have done so much to foster?"

It was hard work to hold the reins firmly at the meetings of the Subjects Committee. The forward

party, since called the New or Extremist party, were not then in a position to try conclusions, but could make themselves felt. They made difficulties about the Congress welcoming Their Royal Highnesses the Prince and Princess of Wales and sought even then to impose the boycott on the whole country in the name of the National Congress. Vehement was the discussion that raged round these questions, and the President was often compelled to interpose his authority to keep it within the limits of strict propriety and usefulness. In general, however, it must be said that the debaters gave him cordial co-operation and were anxious that, when every shade of opinion had had full and free expression, the proceedings should be regulated in accordance with the usual practice. Still, to compose angry differences, settle the right of speech, explain obscure points, give rulings on points of order at the right moment, keep excited delegates from straying away from the points at issue, and do all this without any aggressive assertion of authority, called for a combination of tact, watchfulness, firmness, and courtesy to which Mr. Gokhale was easily equal. The Congress sealed its approbation of his Presidency appointing him its delegate once more to press its demands on the British public.

Next year, 1906, he made his fifth budget speech, the first in the Viceroyalty of Lord Minto. After assailing vigorously the military policy of the Gov-

ernment, he proceeded to tackle the condition of the raiyat, and suggested several meliorative measures : (1) a reduction of the State demand on land, especially in Bombay, Madras, and the United Provinces, and a limitation of that demand all over India ; (2) an experiment in a limited area for the composition of the raiyat's debts and after this, and after this only, restriction of his powers of alienation ; (3) the establishment of Agricultural Banks like those of Lord Cromer in Egypt ; (4) improvements in Irrigation and Scientific Agriculture ; (5) the promotion of technical and industrial education ; (6) free and compulsory primary education ; and (7) works of sanitary improvement, such as good water-supply and drainage. A peroration in simple solemn words all athrob with characteristic feeling drew the new Viceroy's attention to the menace to peace and order that was gaining a foothold in the minds of the coming generation. " A volume of new feeling is gathering, which requires to be treated with care. New generations are rising up, whose notions of the character and ideals of British rule are derived only from their experience of the last few years, and whose minds are not restrained by the thought of the great work which England has on the whole accomplished in the past in this land. I fully believe that it is in the power of the government to give a turn to this feeling, which will make it a source of strength and not of weakness to the Empire.

One thing, however, is clear. Such a result will not be achieved by any methods of repression. What the country needs at this moment above everything else is a Government, national in spirit, even though it may be foreign in personnel,—a Government that will enable us to feel that *our* interests are the first consideration with it, and that *our* wishes and opinions are to it a matter of some account. My Lord, I have ventured to make these observations, because the present situation fills me with great anxiety. I can only raise my humble voice by way of warning, by way of appeal. The rest lies on the knees of the gods." It is difficult to believe that this warning and appeal were without influence on the heart of a good man like Lord Minto. Rather should we take their apparent infructuousness as a proof how little a Viceroy can impress himself on Indian administration if he wishes to deflect, be it never so slightly, and not merely to reinforce, its spirit, and how mighty are the forces of disorder when once they get free play in the affairs of a country.

Irritated at every turn and irritating in return, Sir B. Fuller and his subordinates continued to convulse new and old Bengal with high-handed action of one sort or another. Mr. Gokhale was on his way to England when the eyes of the whole country were drawn in amazement and dismay to Barisal, already through the strong and lovable personality of Bab

Aswini Kumar Dutt the best organised centre of the boycott movement. The authorities were afraid of the great strength that would accrue to the popular cause, if the forthcoming Provincial Conference were allowed to hold its sittings undisturbed at that town. But, like most unwise people that seek to avert one evil, they only raised up a much greater evil. The local Police assaulted the delegates marching in a peaceful and orderly procession and applied their *lathis* freely on the persons even of respectable men. Babu Surendra Nath Banerji was arrested by order of the District Magistrate, who first insulted him and then fined him for resenting the insult, and finally fined him again for taking part in a procession for which a license had not been previously obtained. This pitiful manifestation of personal spite would have sufficed to rouse the worst passions of the people against the government. But Mr. Emerson capped his career of folly by dispersing the Provincial Conference the day after the next on some sorry pretext. Failure to redress these crying grievances took away from the administration of Sir B. Fuller the last chance it had of being reconciled to the people, who would appear to have sworn not to give it any rest. Ghurkas and punitive police were let loose on the towns, and bullying speeches, minatory circulars, schoolboy prosecutions, and the enrolment of honoured citizens as special constables kept up the seething turmoil, the

progress of which was scarcely arrested by the decisions of the High Court and the interposition of Mr. John Morley. Anything like real relief was felt only on the withdrawal of Sir B. Fuller, whose disgrace was but thinly covered by the compliments and euphemisms of official convention. Mr. Gokhale had intended to devote his time in England principally to interviewing important members of Parliament on both sides and pleading with them for reforms in the administration of India. These events in Bengal compelled him to vary his programme by addressing some public meetings to expose the misdeeds of Sir B. Fuller and urge his recall. Mr. Morley granted him many audiences, and it is probable that his testimony and advice were helpful in persuading the Secretary of State to cancel the prohibition laid on public meetings, processions and the singing of national songs, and to order the restoration of expelled schoolboys. To the Congress at Calcutta in December he made a hopeful and encouraging report of what he had seen and heard in England of resurgent Liberalism.

Congress itself was barely saved from a wreck by the reverence-compelling presence of Mr. Dadabhai Naoroji. The state of East Bengal had greatly added to the strength of the new party of politicians in India. But for a timely move on the part of Babu Surendra Nath Banerji, they would have installed Mr. Tilak as President of the

year's Congress. They were able to get a resolution accepted by that body approving of the boycott movement adopted in Bengal. In speaking to this resolution an Extremist leader expounded it as applicable to all India and inclusive of every form of boycott,—boycott of the British Government, of the Universities and schools connected with it, and of all association, direct and indirect, with governmental functions, as well as of British goods. This made it necessary that Mr. Gokhale should interpose in the debate and make it clear that the approval of Congress extended only to the boycott in Bengal of British goods, and that whoever proceeded further than that acted on his account. But the unqualified expression "boycott movement," was destined to give trouble again.

Quite as much as their doctrines the methods of the new party caused grave concern. A minority must be noisy to be heard; and strong convictions in matters held to be vital destroy all sense of courtesy to opponents. Time flies; and those that hold the keys of political heaven cannot be blamed if they are rough on the sluggish crowds that block the way to the door. At the Calcutta Congress, secession was more than once threatened. Respectable speakers on the Moderate side were hooted down. Sir Pherozeshah Mehta was grossly insulted. The venerable old President was not obeyed with grace, and on one occasion his decision was questioned by the malcontents. Worse

than all, when once to quell a prolonged uproar Babu Surendra Nath raised his well-known voice, and not succeeding, asked "Is it come to this?," a chorus of voices returned an unhesitating answer in the affirmative. Young patriots elsewhere in the country were not slow to use this newly-discovered power of theirs, and at Madras, Allahabad, and Poona, the proceedings of public meetings could not go on unless regulated in accordance with the tastes of small but determined groups. But these weapons were to receive their finish at Nagpur and fulfil their highest destiny at Surat.

Mr. Gokhale could not watch this new spirit without putting forth his hand to stay its progress. He traced the unlovely symptoms of violence and rowdyism to the distemper which disposed the mind to dwell continually on one set of facts. He felt that he ought, so far as in him lay, to correct the false notions and distorted views that had been caused by the unvaried contemplation of recent wrongs, and to start the first currents of a larger and juster conception of the condition and needs of the country. With this object he spent nearly the whole of February 1907 in the United Provinces and the Punjab, delivering public lectures in important centres, Allahabad, Lucknow, Agra, Delhi, Lahore, Amritsar. Four subjects principally engaged his attention during this tour, the political situation, Swadeshi, the Hindu-Muhammadian

problem, and the duties of students. It is needless to summarise the opinions of a person who never uses too many words. But one must essay here the difficult task of sketching the groundwork of Mr. Gokhale's programme. His highest ambition for India, in his own words, is that Indians should rise to the full height of their stature and be in their country what other people are in theirs. This ambition can be substantially realised, he holds, within the British Empire. British rule is not a mere evil to be endured. It is a discipline through which kind Providence is preparing us united national life. If only we willingly profited by the discipline, nothing better could be wished. No stable future can be built on the foundation of racial hatred. Justice and love ought to form the basis,—justice that will ungrudgingly recognise all claims that history has brought into existence, and love that knows no barriers of race or religion and embraces even those that appear to be adversaries from time to time. The ethic appears superhuman, but cannot dishearten a people accustomed to style themselves the dispensers of spirituality to the world. Faith, hope, and charity are to be our guiding stars. Difficulties and disappointments are bound to be serious and frequent; but what are they before perseverance and courage? It is true, only too true, that our people lack the necessary virtues, and that is why Mr. Gokhale is never tired of saying that

the work before the patriot is one of moral regeneration, of building up the strength and character of the nation. Schooling is a weary, tearful process to the individual. When a whole nation, hampered by hoary traditions and learned lumber, is trying to acquire a new abc, the sufferings are awful, the penalties sometimes staggering. Peace and order are indispensable conditions of our mastering the first lessons of the new polity. Heavy, then, is the responsibility incurred by those who would lightly disturb these conditions, terrible the nemesis that we should have to face if we listened to the seductive voices of impatience and revenge. Whether in the industrial, commercial, educational, or political line, our progress is obstructed by vested interests allied with organisation, skill, and enormous resources; whoever adds to these arrayed forces those of hatred and rancorous enmity ensures the failure of the struggle at the very start and with it immeasurable misery and suffering to his own people. Sufferings and struggles, it is superfluous to say, will never find Mr. Gokhale unprepared. In fact he values privileges in proportion to the sacrifices with which they have been bought, and has more than once wished that the privileges the Indian people enjoy had been "hallowed by sacrifice and sanctified by suffering." Constitutional agitation for colonial autonomy involves bitter contests with the bureaucracy in India and beyond a certain point may be with the British people

at home also. But history has demonstrated the great possibilities of earnest and persistent agitation conducted without recourse to violence or crime. No man feels more keenly than Mr. Gokhale the wrongs and humiliations of his country ; but his faith is clear and strong, and he cannot forget that, though no single formula can sum up a long and varied history, England has, on the whole, befriended the freedom of the people, and that the British elector, dazed though he now be by visions of imperial glory, has a heart that at bottom feels for the oppressed, and will not desert altogether the generous old standard of liberty and justice.

One gratifying circumstance of this tour was the cordial welcome which the Muhammadan community extended to Mr. Gokhale. At Aligarh and elsewhere too they recognised in him a true patriot of the time, who showed in his own person that it was quite possible for one to be an Indian first and only then a Hindu or Muhammadan. Never before had there been so striking a proof that, with mutual sympathy and forbearance, it is possible for the two communities, notwithstanding deep religious differences, to live a common social life and act together for common purposes. The general reception at every place visited exceeded all expectations. Enormous crowds rendering movement very slow, processions of great magnitude and splendour, horses unyoked and

replaced by enthusiastic young men, elephants, arches and street ornamentations, gay garlands and bouquets innumerable, music of every description, and resounding shouts of *Vande Mataram*,—these must have soon become oppressive to a man of simple tastes and ascetic habits. Then there were the inevitable addresses and replies, the visits to places of interest and public institutions, functions and ceremonies of every degree of formality, dinners and garden parties, conversaziones, entertainments, and interviews, public and private. Mr. Gokhale doubtless realised what a burden fame is sometimes, and how little is the time into which great men have to compress all their serious work. But harsh and ungracious is the criticism that would lose sight of the genuine love that found such spontaneous expression. Few scenes are more touching or more creditable to humanity than that of a people honouring their benefactors in the fulness of gratitude. To the thoughtful observer who followed Mr. Gokhale's tour, the interest must have been far more than personal: the ovations that greeted him appeared to indicate clearly that the popular standard of public life had risen in a marked degree, and that the country in general had begun to look eagerly for a higher type of patriotism and a purer example of self-sacrifice.

In the budget speech of 1907, Mr. Gokhale objected strongly to the accumulation of the Gold Standard Fund for the purpose of converting rupees into sove-

reigns on the introduction of gold currency in India, an object which there was some reason for suspecting that government entertained. He took a high-minded view of the opium question, contending that the loss of revenue should be borne, not by the British exchequer, as many influential politicians suggested, but by the Indian treasury which profited by the traffic in that drug. At the end, he pleaded for reforms in the administration, in language that subsequent events have rendered almost prophetic: "My Lord, it is of importance that there should be no unnecessary delay in this matter. The public mind is in a state of great tension, and unless the concessions are promptly announced and steps taken to give immediate effect to them, they will, I fear, lose half their efficacy and all their grace. The situation is an anxious—almost critical one, and unless the highest statesmanship inspires the counsels of the Government, difficulties threaten to arise of which no man can foresee the end." The Viceroy responded with a promise of reforms which, he said, were being formulated, but could not be announced.

The reforms were not announced till late in the year, and when they were announced, they confirmed the prognostications of those who held that Mr. Morley was but an ordinary Imperialist, the more dangerous for the fine phrases and generous sentiments in which he indulged as a literary habit. The difficulties, how-

ever, that Mr. Gokhale had foreseen were but too quick in coming. The anti-Mehta Caucus in Bombay, betraying the temper of the bureaucracy and illustrating in a striking manner the miserable shifts to which a Government is driven in defending the vagaries of wrongheaded officials, was a mild sensation in comparison with what was to follow elsewhere in India. Babu Bipin Chunder Pal burst into full fame in Madras as a preacher of the new political creed. For several days on the sands of the beach he spoke words hot with emotion and subtly logical, which were wafted by the soft evening breeze to tens of thousands of listeners, invading their whole souls and setting them aflame with the fever of a wild consuming desire. Oratory had never dreamed of such triumphs in India; the power of the spoken word had never been demonstrated on such a scale. The immediate effect was to deepen and strengthen the discontent already in existence, and to embitter a hundredfold the controversies that divided the two political schools. The Punjab troubles, culminating in the deportation of Lala Lajpat Rai and Ajit Singh, the riot at Cocanada arising out of the unheroic conduct of a pugilistic medical officer, the unprecedented outbreak of Muhammadan fanaticism and lawlessness in Bengal, the mere existence of which would have been a disgrace to any administration, but which certain officials of Government, there was good reason for believing, incited and encouraged

with impunity, the highly provocative and in parts un-Morley-like Budget speech of Mr. Morley, the scenes of rowdiness which completely paralysed the preparations for the National Congress at Nagpur, the failure of the All-India Congress Committee to cope with the situation, the Seditious Meetings Act passed at Simla, against which the Viceroy was led by the inevitable logic of facts to make out an unwitting case, the unutterable shame of last December at Surat, the Tinnevely riots, the bomb disclosures in Bengal,—these events, the fell brood of the monster Unrest, form a combination of calamities of which truly no man can foresee the end.

Death poured into Mr. Gokhale's cup a drop of private grief. In the middle of last year his brother, who had cared for him as a father, fell a victim to diabetes, leaving him to take care of a large family besides his own, which consists of two daughters. His activities, however, have been unceasing. In fact he could not give himself the much-needed and long-planned rest of one month at Mahabaleshwar. On his way to Poona from the Budget Meeting of 1907 he presided over the public meeting in Bombay which protested against the anti-Mehta Caucus. His Secretaryship of Congress involved many trips to Bombay and one to Surat before the December session. The persecution of his friend and associate Lala Lajpat Rai drew a letter in his defence to the *Times of*

India, besides other attempts that unfortunately eventuated in nothing. The disturbances in Mymensingh compelled a visit to Calcutta and many private conferences. He undertook the direction of a non-official campaign against the plague and faced many risks. Then he went to Simla to enter a passionate protest against the Seditious Meetings Bill and defend the Bengali nation, whom fate and man alike seem to be tormenting. This year there have been the usual Budget Speech and the evidence before the Decentralisation Commission, besides some work as President of the Poona Temperance Committee.

But the activity to which he himself would attach the greatest importance has yet to be mentioned. The Servants of India, organised on the 12th June, 1905, lived their first session together in the Society's Home from April till September 1907. Appendix G. contains its objects and rules as well as a concise statement of the conditions which led to its formation. Wedded to constitutional lines of work and excluding nothing that may advance the common good of the country, the Society may be said in one word to aim at building up the future Indian nation. A task of enormous magnitude; but one worthy of the highest endeavours of India's sons, towards which an organisation, well-devised and conducted and adequately supported by the country, may make a substantial contribution in the course of years. It will readily occur to the reader

that great resources are required both in money and men. No general appeal to the public has yet been made for pecuniary aid. The funds hitherto collected are considerable, the outlay on buildings and library alone aggregating one lakh; but they have all been raised from Mr. Gokhale's personal friends. These have met his calls with a trustfulness and generosity that fill one with equal hope and pride. The much-abused Indian patriot does part with his money cheerfully and in liberal measure when he is assured that the object for which he gives it is good and that the hands that take it are clean and know how to make every rupee go as far as it can be made to go. There is every reason to hope that before long Mr. Gokhale will be enabled by the public spirit of the Society's friends to place it on a sound financial basis. As regards men, considering the sacrifices and the discipline which members have to undergo, the number of applicants so far has been large enough to afford encouragement. The Society's highest usefulness will not be reached until its representatives are found all over the country, taking a due share in all movements that subserve national interests. But it is scarcely to be expected that the Society can achieve this large result by the direct agency of its members and assistants. Ways have therefore been devised for extending the area of its influence without undertaking or imposing heavy responsibilities. Thus public spiri-

ted men already doing practical service to the country may be enrolled as Associates on easy conditions and thus give their work at once wide usefulness and permanence. The superiority of organised over isolated effort is so obvious that this provision may be trusted to commend itself to all earnest workers. At the same time the Society offers to give an early training in public work to patriotic young men who are unable to incur the sacrifices entailed by membership, but who are in no hurry to earn directly their education is finished. Such young men may be admitted as 'Attaches' to the benefits of the discipline and studies of the Society's Home for a period of three years.

It is indeed difficult to think of a better fate to young Indians than that of residence for some years in the Home of the Servants of India Society. Situated away from the city, next to the Fergusson College with which it has many associations in common, it stands in the midst of a hilly scenery of which the bareness and austerity are suggestive of the plain living and high thinking within. Its entire atmosphere is pervaded by the influence of a personality in which sweetness and strength, purity and tenderness are blended harmoniously. Of the private virtues of Mr. Gokhale any description would be an impertinence. His public record is great. It is enough, perhaps, to mention that his Budget speeches, of rare educative value to the student of Indian affairs, have furnished

more than one hint to Government of the form in which its Financial Statement should be cast, and of the directions in which its surpluses may be spent. More, however, than any tangible result is the wholesome influence that he has exerted on Indian public life. Few men have proved so well as he that the most earnest advocacy of the people's cause is consistent with perfect fairness to members of the Government. Mr. Gokhale has delivered as hard blows as any other critic at the measures of Government; but he has seldom attacked their authors personally. Magnanimous by nature, he seldom wounds the feelings of his adversary even when he hits the hardest. Identified as he is with the moderate school of political thought, he is far from being a party man. Scorning all mere strife, his great anxiety is to unite all parties by the common tie of patriotism. Brought up in a school of severe self-examination, he is always on the guard against the insidious influences of the partisan spirit, and will not allow his love of his fellow-countrymen to be affected by irrelevant distinctions. Chaste in thought, word and deed, a master of lucid exposition, a speaker who inspires without inflaming, a citizen who is not afraid of strife but loves amity, a worker who can obey as well as command, a soldier of progress with invincible faith in his cause,—Mr. Gokhale is indeed a perfect Servant of India.)

PART I.

COUNCIL SPEECHES

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SPEECHES DELIVERED IN
THE IMPERIAL LEGISLATIVE COUNCIL.

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BUDGET SPEECH, 1902.

[This is the Hon. Mr. G. K. Gokhale's first Budget Speech at the Imperial Legislative Council, delivered on Wednesday, 26th March 1902, His Excellency Lord Curzon being President of the Council, and the Hon. Sir Edward Law being Finance Member.]

YOUR EXCELLENCY, I fear I cannot conscientiously join in the congratulations which have been offered to the Hon'ble Finance Member on the huge surplus which the revised estimates show for last year. A surplus of seven crores of rupees is perfectly unprecedented in the history of Indian finance, and coming as it does on the top of a series of similar surpluses realized when the country has been admittedly passing through very trying times, it illustrates to my mind in a painfully clear manner the utter absence of a due correspondence between the condition of the people and the condition of the finances of the country. Indeed, my Lord, the more I think about this matter the more I

2 THE IMPERIAL LEGISLATIVE COUNCIL.

feel—and I trust Your Lordship will pardon me for speaking somewhat bluntly—that these surpluses constitute a double wrong to the community. They are a wrong in the first instance in that they exist at all—that Government should take so much more from the people than is needed in times of serious depression and suffering; and they are also a wrong, because they lend themselves to easy misinterpretation and, among other things, render possible the phenomenal optimism of the Secretary of State for India, who seems to imagine that all is for the best in this best of lands. A slight examination of these surpluses suffices to show that they are mainly, almost entirely, currency surpluses, resulting from the fact that Government still maintain the same high level of taxation which they considered to be necessary to secure financial equilibrium when the rupee stood at its lowest. The year when the rupee touched this lowest exchange value was 1894-95, the average rate of exchange realized in that year being only 13·1*d.* to the rupee. Government, however, had in the face of the falling rupee, resolutely maintained an equilibrium between their revenue and expenditure by large and continuous additions to the taxation of the country, and thus even in the year 1894-95, when the rupee touched its lowest level, the national account-sheet showed a surplus of seventy lakhs of rupees. From this point onwards, the currency legislation, passed by Government in 1893, began to bear fruit and

the exchange value of the rupee began to rise steadily. In 1895-96, the average rate of exchange realized was 13'64*d.* and the surplus secured was 1½ crores. In 1896-97 and 1897-98, the average rate of exchange was 14'45*d.* and 15'3*d.* respectively, but the years turned out to be famine years and the second year also one of a costly frontier war necessitating extraordinary expenditure for direct famine relief and military operations of 2'1 crores in the first year and 9'2 crores in the second. The result was that 1896-97 closed with a deficit of 1'7 crores and 1897-98 with a deficit of 5'36 crores. It will, however, be seen that if these extraordinary charges had not come upon the State, both years would have been years of surpluses, and the surplus for 1897-98 would have been close upon four crores of rupees. In 1898-99, exchange established itself in the neighbourhood of 16*d.*—the average rate realized during the year being 15'98*d.*—and the year closed with a balance of 3'96 crores of rupees, after providing a crore for military operations on the frontier—thus inaugurating the era of substantial surpluses. Now we all know that a rise of 3*d.* in the exchange value of the rupee—from 13*d.* to 16*d.*—means a saving of between four and five crores of rupees to the Government of India on their Home Charges alone, and I think this fact is sufficient by itself to explain the huge surpluses of the last four or five years. The following figures are instructive, as showing the true position of our

4 THE IMPERIAL LEGISLATIVE COUNCIL.

revenue and expenditure, on the new basis of an artificially appreciated rupee:—

| Year. | Deficit or Surplus in crores of rupees. | Extraordi- nary charges for war and famine relief. | Total surplus but for the extra charges. | Remarks. |
|------------------------|--|---|---|-------------------------|
| 1897-98 ... | —5·36 | 9·21 | 3·85 | A year of famine & war. |
| 1898-99 ... | +3·96 | 1·09 | 5·05 | Frontier operations.. |
| 1899-1900 ... | +4·16 | 3·5 | 7·66 | A year of famine. |
| 1900-01 ... | +2·5 | 6·35 | 8·85 | Ditto. |
| 1901-02 ... | +7 | 1 | 8 | |
| Total for 5 yrs. 12·26 | | 21·15 | 33·41 | |

or 6·68 a year.

If there had been no extra charges for war and famine, the national revenue on the basis of the new rupee would have been found to exceed the requirements of Government by about $6\frac{3}{4}$ crores a year. Allowing for the savings effected in consequence of the absence of a portion of the troops in South Africa and China, as also for the generally reduced level of ordinary expenditure in famine times, and taking note of the fact that the opium-revenue turned out somewhat better than was expected and might reasonably be relied on, we still may put down the excess of our present revenue over our present expenditure at about five crores of rupees, which is also the figure of the amount saved by Government on their Home Charges as a consequence of the exchange value of the rupee having risen from 13*d.* to 16*d.* Now, my Lord, I submit with all respect, that it is not a justifiable

course to maintain taxation at the same high level when the rupee stands at 16*d.* that was thought to be necessary when it stood at 13*d.* During the last sixteen years, whenever deficits occurred, the Finance Member invariably attributed them to the falling rupee and resorted to the expedient of additional taxation, explaining that that was the only way to avoid national bankruptcy. During the first 12 years of this period, from 1885-86—when Sir Auckland Colvin told the Council in his Financial Statement almost in prophetic terms that affairs were ‘passing into a new phase,’ necessitating a reconsideration and revision of the fiscal status established in 1882—down to 1896-97, there was one continued and ceaseless struggle on the part of the Finance Department of the Government of India to maintain at all risks and hazards a ‘strong financial position’ in the face of a rapidly changing situation, and provide by anticipation against all possible dangers near and remote, fancied and real: and not a year passed—literally speaking—but heralded some change in the financial arrangements of the country. The famine grant was suspended for three successive years, 1886-87—1888-89, then reduced for two more, and permanently so in the last year of the period. Twice during these 12 years were the Provincial Contracts subjected to drastic revision (1887-88 and 1892-93), and the total gain secured to the Imperial Treasury on such revision and by a con-

6 THE IMPERIAL LEGISLATIVE COUNCIL.

traction of Provincial resources was full 1·10 crores (64 lakhs in 1887-88 and 46 lakhs in 1892-93). Furthermore, during the period, thrice (in 1886-87, 1890-91 and 1894-95) were the Provincial Administrations called upon to pay special contributions in aid of Imperial revenues. But the chief financial expedient employed to escape the supposed embarrassment of the time was continuous additions to the taxation of the country. Nine years out of these 12 witnessed the imposition of new taxes. First came the income-tax in 1886, and then followed in rapid succession the salt-duty enhancement of 1887-88 (June, 1888), the petroleum and patwari-taxes and extension of the income-tax to Burma in 1888-89, customs on imported liquors increased in 1889-90, the excise-duty on Indian beer in 1890-91, the import-duty on salt-fish in Burma in 1892-93, the re-imposition of the 5 per cent. *ad valorem* duties on imports, excluding cotton-goods, in 1893-94, and the extension of import-duties to cotton-goods in 1894-95. In 1896 there were changes in the traiff. The 5 per cent. import and excise duties on cotton-yarns were abolished and the import-duties on cotton-goods were reduced from 5 to $3\frac{1}{2}$ per cent.—involving a sacrifice of 50 lakhs of rupees as a concession to the clamour of Manchester, but a countervailing excise of $3\frac{1}{2}$ per cent. was imposed on cotton-goods of all counts manufactured in Indian mills. Lastly, came the imposition of counter-

vailing duties on imports of bounty-fed sugar in 1899.

The total additional revenue raised by these measures of taxation during the past 16 years has been no less than 12·30 crores a year.

But this is not all. The land-tax, too, has come in in its own automatic way for large augmentations during the period. Taking the ordinary revenue alone under the head, we find the increase has been 2·82 crores. One startling fact about these land-revenue collections is that during the six years from 1896-97 to 1901-02 (a period including the two greatest famines of the century) these collections actually averaged £17·43 millions a year as against £16·67 millions, the average for the six preceding years, *i.e.*, from 1890-91 to 1895-96!

Putting these two heads, together, the total augmentation of public burdens during these years comes to over 15 crores.

Such continuous piling up of tax on tax, and such ceaseless adding to the burdens of a suffering people, is probably without precedent in the annals of finance. In India it was only during the first few years following the troubles of the mutiny year that large additions were made to the taxation of the country; but the country was then on the flood-tide of a short-lived prosperity, and bore, though not without difficulty or complaint, the added burden. During the past 16 years the country has passed through a more severe

8 THE IMPERIAL LEGISLATIVE COUNCIL.

phase of agricultural and industrial depression, and yet it has been called upon to accept these fresh burdens—year after year—increasing without interruption, and all this with a view to ensuring and maintaining a ‘strong financial position’ proof against all assaults.

“The broad result of this continued series of taxing measures has been *to fix the taxation of the country at a level far above the actual needs of the situation*. And it is the *fiscal status* so forced up and maintained, and not a normal expansion of revenue, that has enabled the financial administration during all these trying years not only to meet out of current revenues all sorts of charges, ordinary and extraordinary, but to present at the close of the period abounding surpluses which the richest nation in Europe might well envy.

A taxation so forced as not only to maintain a *budgetary equilibrium* but to yield as well ‘large, continuous, progressive surpluses’—even in years of trial and suffering—is, I submit, against all accepted canons of finance. In European countries, extraordinary charges are usually met out of borrowings, the object being to avoid, even in times of pressure, impeding the even, normal development of trade and industry by any sudden or large additions to the weight of public burdens. In India, where the economic side of such questions finds such scant recognition, and the principle of meeting the charges of the year

with the resources of the year is carried to a logical extreme, the anxiety of the Financial Administration is not only to make both ends meet in good and bad years alike, but to present large surpluses year after year. The Hon'ble Finance Member remarks in his Budget Statement under 'Army Services': 'It must be remembered that India is defraying from revenues the cost of undertaking both re-armament and the reform of military re-organization in important departments. I believe that this is an undertaking which has not been attempted by other countries without the assistance of loans in some form or other. Even in England, extraordinary military requirements for fortifications and barracks have been met by loans for short terms of years repayable by instalments out of revenues. If profiting by a period of political tranquillity we can accomplish this task without the raising of a loan and the imposition of a permanent burden on future generations, I think that we shall be able to congratulate ourselves on having done that which even the richest nations of Europe *have not considered it* advisable to attempt.'

Every word of this citation invites comment. How comes it that India is doing in regard to these extraordinary charges that which even the richest nations of Europe have not considered it advisable to attempt? The obvious answer is that in those countries it is the popular assemblies that control taxation and

10 THE IMPERIAL LEGISLATIVE COUNCIL.

expenditure : in India the tax-payer has no constitutional voice in the shaping of these things. If we had any votes to give, and the Government of the country had been carried on by an alternation of power between two parties, both alike anxious to conciliate us and bid for our support, the Hon'ble Member would assuredly have told a different tale. But I venture to submit, my Lord, that the consideration which the people of Western countries receive in consequence of their voting power should be available to us, in matters of finance at any rate, through an 'intelligent anticipation'—to use a phrase of Your Lordship's—of our reasonable wishes on the part of Government.

But even thus—after doing what the richest nations of Europe shrink from attempting—meeting all sorts of extraordinary charges, amounting to about 70 crores in sixteen years, out of current revenues—we have 'large, continuous, progressive surpluses,' and this only shows, as Colonel Chesney points out in the March number of the *Nineteenth Century and After*, that more money is being taken from the people than is right, necessary or advisable, or, in other words, the weight of public taxation has been fixed and maintained at an *unjustifiably* high level. Taxation for financial equilibrium is what we all can understand, but taxation kept up in the face of the difficulties and misfortunes of a period of excessive depression and for 'large, continuous and progressive surpluses' is

evidently a matter which requires justification. At all events, those who have followed the course of the financial history of the period will admit that the fact viewed *per se* that 'such large, continuous and progressive surpluses' have occurred during the period—as a result not of a normal expansion of fiscal resources but of a forced up and heavy taxation—does not connote, as Lord George Hamilton contends, an advancing material prosperity of the country or argue any marvellous recuperative power on the part of the masses—as the Hon'ble Sir Edward Law urged last year. To them, at any rate, the apparent paradox of a *suffering country* and an *overflowing treasury* stands easily explained and is a clear proof of the fact that the level of national taxation is kept unjustifiably high, even when Government are in a position to lower that level.

This being my view of the whole question, it was to me, I need hardly say, a matter of the deepest regret that Government had not seen their way, in spite of four continuous years of huge surpluses, to take off a portion at any rate of the heavy burdens which had been imposed upon the country during the last sixteen years. Of course the whole country will feel grateful for the remission of close upon two crores of the arrears of land-revenue. The measure is a bold, generous and welcome departure from the usual policy of clinging to the arrears of famine times, till a portion of them has

12 THE IMPERIAL LEGISLATIVE COUNCIL.

to be abandoned owing to the sheer impossibility of realising them, after they have been allowed to hang over the unfortunate raiyat's head, destroying his peace of mind and taking away from him heart and hope. The special grant of 40 lakhs of rupees to education will also be much appreciated throughout the country. But my quarrel is with the exceedingly cautious manner—a caution, I would venture to say, bordering on needless timidity—in which my Hon'ble friend has framed the Budget proposals for next year. Why should he, with four continuous years of fat surpluses to guide him, and no special cloud threatening his horizon, budget for a surplus of only $1\frac{1}{4}$ crores, when three times the amount would have been nearer the mark and that, again, as calculated by a reasonably cautious standard? If he had only recognized the ordinary facts of our finance, as disclosed by the surpluses of the last four years, he would have, among other things, been able to take off the additional 8 annas of salt-duty, raise the taxable minimum of the income-tax to at least Rs. 1,000 a year, abolish the excise-duty on cotton goods and yet show a substantial surplus for the year. And, my Lord, the reduction of taxation in these three directions is the very least that Government could do for the people after the uncomplaining manner in which they have borne burden after burden during the last sixteen years. The desirability of raising the exemption limit of the income-tax has been frequently

admitted on behalf of Government, and, amongst others, by yourself in Your Lordship's first Budget Speech. The abolition of the excise on cotton-goods is urgently needed not only in the interests of the cotton-industry, which is at present in a state of dreadful depression, in large measure due to the currency legislation of Government, but also as an act of the barest justice to the struggling millions of our poor, on whom a portion of the burden eventually falls, who have been hit the hardest during recent years by famine and plague, by agricultural and industrial depression and the currency legislation of the State, and who are now literally gasping for relief. In this connection I would especially invite the attention of Government to a speech delivered at the annual meeting of the Bombay Chamber of Commerce by my friend the Hon'ble Mr. Moses—a by no means unfriendly critic of Government, and one who enjoys their confidence as also that of the public. Mr. Moses in that speech describes with much clearness and force the great injury which the currency legislation of Government has done to our rising cotton-industry. That industry, he tells us, has now 'reached the brink of bankruptcy,' no less than fourteen mills being about to be liquidated, and some of them, brand new ones, being knocked down to the hammer for a third only of their original cost. Mr. Moses also speaks of the severely adverse manner in which the new currency has affected the economic

14 THE IMPERIAL LEGISLATIVE COUNCIL.

position of the mass of our countrymen. As regards the reduction of salt-duty, I do not think any words are needed from any one to establish the unquestioned hardship which the present rate imposes upon the poorest of the poor of our community. Government themselves have repeatedly admitted the hardship ; but in these days, when we are all apt to have short memories, I think it will be useful to recall some of the utterances of men responsible for the Government of India in the matter. In 1888, when the duty was enhanced, Sir James Westland, the Finance Member, speaking on behalf of the Government of India, said:— ‘ It is with the greatest reluctance that Government finds itself obliged to have recourse to the salt-duty.’ Sir John Gorst, Under-Secretary of State for India, speaking a few days later in the House of Commons, referred to the matter in similar terms of regret. Lord Cross, then Secretary of State for India, in his Despatch to the Government of India, dated 12th April, 1888, wrote as follows : ‘ I do not . . . propose to comment at length on any of the measures adopted by your Government except the general increase in the duty of salt. While I do not dispute the conclusion of your Government that such an increase was, under existing circumstances, unavoidable, I am strongly of opinion *that it should be looked upon as temporary and that no effort should be spared to reduce the general duty as speedily as possible to the former*

rate.' His Lordship further urged upon the attention of the Government of India the following weighty considerations on the point :—' I will not dwell on the great regret with which I should at any time regard the imposition of additional burdens on the poorest classes of the population, through the taxation of a necessary of life ; but, apart from all general considerations of what is in such respects right and equitable, there are, as Your Excellency is well aware, in the case of the salt-duty in India, weighty reasons for keeping it at as low a rate as possible. The policy enunciated by the Government in 1877 was to give to the people throughout India the means of obtaining an unlimited supply of salt at a very cheap rate ; it being held that the interests of the people and of the public revenue were identical, and that the proper system was to levy a low duty on an unrestricted consumption. The success of that policy hitherto has been remarkable ; while the duty has been greatly reduced, the consumption through this and other causes has largely increased.....The revenue is larger now than it was before the reforms commenced in 1877, and I see no reason to doubt that the consumption will continue to increase, if it be not checked by enhancement of the tax.' Speaking again at a public meeting in England, Lord Cross took occasion to repeat his views that 'he was convinced that *the earliest occasion should be taken to abrogate the*

16. THE IMPERIAL LEGISLATIVE COUNCIL.

increase in the salt-tax' (February 28, 1889). In March of the same year, Sir David Barbour, speaking in the Viceregal Council with special reference to a proposal for the abolition of the income-tax, observed:— 'I think it would be an injustice so gross as to amount to a scandal if the Government were to take off the income-tax while retaining the salt-duty at its present figure.' In 1890 Sir John Gorst, in his speech on the Indian Budget in the House of Commons (August 14, 1890), remarked: '*the tax* (on salt) was no doubt a tax which ought to be removed and *would be removed as soon as it should be financially possible to do so.*' Similarly, Lord George Hamilton himself, in a speech on the Indian Budget Statement in the House of Commons (September 4, 1895) emphasized the necessity for reducing the salt-duty as early as possible, pointing out that no other tax pressed so heavily on the Indian people. In view of these repeated declarations, it is a matter for great surprise, no less than for intense regret and disappointment, that Government have not taken the present opportunity to reduce a rate of duty, admittedly oppressive, on a prime necessary of life, which, as the late Professor Fawcett justly urged, should be 'as free as the air we breathe and the water we drink.' It may be noted that the consumption of salt during the last fourteen years has been almost stationary, not even keeping pace with the normal growth of population,—showing a rise of less than

6 per cent. in fourteen years against a rise of 18 per cent. in four years following the reduction of duty in 1882,—and that the average consumption of the article in India is admittedly less than is needed for purposes of healthful existence.

My Lord, the obligation to remit taxation in years of assured surpluses goes, I believe, with the right to demand additional revenues from the people in times of financial embarrassment. A succession of large surpluses is little conducive to economy and is apt to demoralise even the most conscientious Governments by the temptation it offers for indulging in extravagant expenditure. This is true of all countries, but it is specially true of countries like India, where public revenues are administered under no sense of responsibility, such as exists in the West, to the governed. A severe economy, a rigorous retrenchment of expenditure in all branches of the Administration, consistently, of course, with the maintenance of a proper standard of efficiency, ought always to be the most leading feature—the true governing principle—of Indian finance, the object being to keep the level of public taxation as low as possible, so as to leave the springs of national industry free play and room for unhampered movement. Such a course is also imperatively demanded by the currency policy which has been recently adopted by Government. That policy has, no doubt, given the country a stable exchange and brought relief to the

18 THE IMPERIAL LEGISLATIVE COUNCIL.

Finance Member from his usual anxieties ; but when the final adjustment of prices takes place, as is bound sooner or later to happen, it will be found that a crushing burden has been imposed upon the vast majority of taxpayers in the country. It is true that general prices have not been as quick to adjust themselves to the new artificially appreciated rupee, as the rupee itself has been to respond to the restrictions put upon its production. This was, however, to be expected, as the force of tradition in a backward country like India was bound to take time to be overcome. Famine conditions during the last few years also retarded adjustment, but there is no doubt that there would be a general fall of prices sooner or later corresponding to the artificial appreciation of the rupee. And when that happens, Government will be taking about 40 per cent. more in taxation from producers in this land and paying to its servants a similarly augmented remuneration. This will be a terrible burden for the masses of the country to bear. Already, during the last few years of famine, they have had to suffer most serious losses in converting their stock of silver into rupees, when the rupee had grown dearer, but its purchasing power had not correspondingly increased. When the expected adjustment of general prices takes place, one curious result of it will be, the Government will have made a present to money-lenders of about 40 per cent. of the loans which

these money-lenders have made to agriculturists—a result which surely Government could never have desired. In view of the great injury which the currency policy of Government has thus done and will do as its results unfold themselves more and more to the agriculturists and other producers of this country, I submit Government are bound to make to them such slight reparation as is possible by reducing the level of taxation as low as circumstances may permit.

My Lord, in considering the level of taxation in India and the administration of the revenues so raised, it is, I think, necessary to bear in mind two root-facts (1) that it is the finance of a country, a considerable part of whose revenues is, by reason of its political and military necessities, spent outside its borders and *ipso facto* brings no commercial equivalent to the country: and (2) that it is the finance of a country which is not only 'poor, very poor,' as Lord George Hamilton admits, but the bulk of whose population is daily growing poorer under the play of the economic forces which have been brought into existence by British rule. It is true that the fact of this growing poverty of our people finds no official recognition, and we have even assurances from the highest quarters of her advancing prosperity. With all due deference, however, I venture to submit that we, who live in the midst of the hard actualities of a hard situation, feel that any such comforting views of the condition of the

20 THE IMPERIAL LEGISLATIVE COUNCIL.

Indian people are without warrant in the facts of the case and we deem it our duty to urge, on behalf of the struggling masses no less than in the interests of good administration, that this fact of a deep and deepening poverty in the country should be frankly recognized, so that the energies of the Government might be directed towards undertaking remedial measures. The Hon'ble Finance Member sees in last year's Customs returns a sign of the advancing prosperity of the people. Now, apart from the fact that it is unsafe to draw conclusions from the returns for any single year, since the imports of particular years often only technically belong to that year, there is, I submit, nothing in the returns of last year to bear out my Hon'ble friend's contention. The bulk of our countrymen, whose economic condition is the point at issue, have nothing to do with the imports of sugar or cotton manufactures, which now are practically only the finer fabrics. The silver imported also could not have concerned them since last year was a famine year, and the poorer classes, instead of buying any silver, parted over large areas with the greater portion of what they possessed. The increase in the imports of petroleum only means the larger replacement of country-oil by petroleum—a thing due to the enterprise of certain English companies that sell petroleum in this country and the opening up of new tracts by railways. Petroleum is also in some places now being used for cooking purposes in place of fuel.

I do not think, therefore, that the Hon'ble Member is justified in drawing from last year's Customs returns the conclusion which he draws from them. The growth under Land-revenue, Excise and Stamps is sometimes mentioned as indicating increasing prosperity. But the growth of Land-revenue is a forced compulsory growth. It is an one-sided arrangement, and the people have either to pay the increased demand or give up their land and thereby part with the only resource they have. A growth of Excise-revenue, to the extent to which it is secured by increased consumption, only shows that the operations of the Abkari Department, with its tender solicitude for the interests of the legitimate consumer—a person not recognized by the State in India in pre-British times—are leading to increased drunkenness in the land. This, of course, means increased misery and is thus the very reverse of an indication of increasing prosperity. Liquor is not like ordinary articles of consumption, which a man buys more or less as his means are larger or smaller. When a man takes to drink, he will go without food, and will sacrifice wife and children, if necessary, but he will insist on satisfying his craving for the spirituous poison. Similarly, an increase of revenue under Stamps only means an increase in litigation, which undoubtedly shows that the people are quarrelling more, but which is no proof of their growing riches. No, my Lord, the only taxes whose proceeds supply any indi-

22 THE IMPERIAL LEGISLATIVE COUNCIL.

cation of the material condition of the people are the income-tax and the salt-tax—the former, roughly speaking, for the middle and upper classes and the latter for the masses. Now, the revenue under both these heads has been more or less stationary all these years, and the salt-revenue has not even kept pace with the normal growth of the population. They, therefore, lend no support to the contention that the people are advancing in material prosperity.

My Lord, Your Lordship was pleased to deal with this question at some length in the Budget discussion of last year, and, after analysing certain figures, Your Lordship expressed the opinion that the 'movement is, for the present, distinctly in a forward and not in a retrograde direction.' The limitations of the method adopted in that investigation were, however, frankly recognized by Your Lordship. I think, my Lord, the attempt to determine the average income per head for a given population is useful only for the purpose of obtaining a statistical view of the economic condition of that people. And from this point of view, our average income, whether it works out to Rs. 18 or Rs. 20 or Rs. 27 or Rs. 30 per head, is exceedingly small and shows that we are an exceedingly poor people. But when these calculations are used for taking a dynamical view of the economic situation, the method is open to serious objection, as the necessarily conjectural character of many of the data renders them of little value for

such a purpose. But, though the determination of the average income per head in a manner satisfactory to all is an impossible task, there is, I submit, ample evidence of another kind which can help us to a correct understanding of the problem. And this evidence, I venture to say, points unmistakably to the fact that the mass of our people are not only not progressing, but are actually receding in the matter of material prosperity. I have here certain tables,* compiled from official publications, relating to (1) census returns, (2) vital statistics, (3) salt consumption, (4) the agricultural output of the last sixteen years, (5) cropped area in British India, (6) area under certain superior crops, and (7) exports and imports of certain commodities, and they establish the following propositions:—

(1) that the growth of population in the last decade has been much less than what it should have been, and that in some Provinces there has been an actual decline in the population ;

(2) that the death-rate per *mille* has been steadily rising since 1884, which points to a steadily increasing number of the people being under-fed ;

(3) the consumption of salt, which already in this country is below the standard required for healthy existence, has not kept pace with even this meagre growth of population ;

* *Vide* Appendix II.

(4) that the last decade has been a period of severe agricultural depression all over India ;

(5) that the net cropped area is diminishing in the older Provinces ;

(6) that the area under superior crops is showing a regrettable diminution ;

(7) the export and import figures tell the same tale, *viz.*, that the cultivation of superior crops is diminishing. Cattle are perishing in large numbers.

The losses of the agricultural community, owing to the destruction of crops and cattle and in other ways during the famines of the last five years, have been estimated at something like 300 crores of rupees. There is, again, indisputable evidence as to the fast-proceeding exhaustion of the soil through continuous cropping and for the most part unmanured tillage. Sir James Caird wrote strongly on the point, remarking 'crop follows crop without intermission, so that Indian agriculture is becoming simply a process of exhaustion.' Dr. Voelcker expressed a similar view. The indebtedness of the agricultural classes is also alarmingly on the increase. Mr. Baines, writing about the North-Western Provinces and Oudh, says :—'Of the peasantry, it is estimated that nearly three-fourths have to go to the money-lender to enable them to tide over the interval between the spring and the autumn season.' As regards Bombay, the MacDonnel Commission write :—'At least one-fourth of the cultivators in the

Bombay Presidency have lost possession of their lands, less than a fifteenth are free from debt and the remainder are indebted to a greater or less extent.' Similar evidence, I believe, is forthcoming about the Punjab and the Central Provinces.

These and similar facts, taken cumulatively, lead, and lead irresistibly, to the conclusion that the material condition of the mass of the people in India is steadily deteriorating, and I grieve to say that the phenomenon is the saddest in the whole range of the economic history of the world. Here is a peasantry which, taken all in all, is inferior to no other people in industry, frugality and patient suffering. It has enjoyed the blessing of uninterrupted peace for half a century, and at the end of the period the bulk of them are found to be in a worse plight than they have ever been in. I submit, my Lord, that a fact, so startling and so painful demands the earnest and immediate attention of Government, and I venture to believe that Government cannot afford to put off facing the situation any longer. An enquiry into the condition of a few typical villages has been suggested, and, if undertaken, will certainly clear many of the prevailing misapprehensions on the subject. It is urged on behalf of Government that no such inquiry is needed, because similar inquiries have been already made in the past. There is no doubt that inquiries of some sort have been made, and Government have in their possession a large

26 THE IMPERIAL LEGISLATIVE COUNCIL.

body of valuable information on the subject—information which unfortunately they insist on withholding from the public. Why this should be so is difficult to understand as the field is exclusively economic and Government ought to welcome the co-operation of non-official students of the subject in understanding and interpreting the economic phenomena of the country. I venture to think that if the papers connected with the Cromer inquiry of 1882, the Dufferin inquiry of 1887-88 and the confidential inquiry undertaken in 1891-92 were published, much valuable assistance would be afforded to the public by Government. The same remark applies to the statistical memorandum and notes on the condition of lower classes in the rural parts furnished to the Famine Commission of 1898 by the Provincial Governments, the official memorandum referred to by Your Lordship in the Budget discussion of last year, 'worked out from figures collected for the Famine Commission of 1898,' the Appendices to the Report of the Famine Commission of 1901 and the official memorandum on agricultural indebtedness referred to by the present Lieutenant-Governor of the Punjab in his speech on the Punjab Land Alienation Bill—all of which documents have been kept confidential without any intelligible excuse. I think Your Lordship will have done much to bring about a truer appreciation of the economic situation in the country, if you will see your way to publishing these valuable

papers and documents, which there is really no reason for withholding from the public.

My Lord, I have so far tried to show (1) that the huge surpluses of the last four years are in reality only currency surpluses, (2) that the taxation of the country is maintained at an unjustifiably high level and ought to be reduced, and (3) that India is not only a 'poor, very poor' country, but that its poverty is steadily growing, and in the administration of its finances, therefore, due regard must always be had to this central, all-important fact. Since the close of the beneficent Viceroyalty of Lord Ripon, however, our finances have been so managed as to lend support to the view that other interests take precedence of Indian interests in the administration of Indian revenues. Thus large sums have been spent out of our meagre revenues on conquest and territorial expansion, which have extended England's dominion but have brought no benefit to the people of India. The English mercantile classes have been conciliated by undertaking the construction of railways on an unprecedentedly large scale—programme following programme in breathless succession—sometimes in spite of the protests of the Finance Member—a policy which, whatever its advantages, has helped to destroy more and more the few struggling non-agricultural industries that the country possessed and throw a steadily increasing number on the single precarious resource of agriculture. And this railway

expansion has gone on while irrigation, in which the country is deeply interested, has been more or less neglected. The interests of the services were allowed to prevail, first, in the concession made to uncovenanted Civilians enabling them to draw their pensions at the high rate of 1s. 9d. a rupee, and then in the grant of exchange compensation allowance to all European officers, civil and military. Military expenditure has grown by nearly 6·5 crores a year during the period, and will increase by $1\frac{1}{4}$ crores more on account of the new increase in the European soldier's pay, and the burden of Home Charges has grown by over 3 millions sterling. And all this while the expenditure on education from Provincial Revenues rose only by a paltry 20 lakhs or so, and domestic reforms in other directions have been neglected to a greater or less extent. There has been much talk about the growing indebtedness of the agricultural population, but no remedial action of a really helpful character, involving any outlay on the part of the State, has been undertaken. Happily, a change for the better again seems to have come upon the Government during the last three years. Your Excellency has placed the Frontier question on a satisfactory basis, and this is all the more remarkable because a certain vigorous speech of Your Lordship's delivered long before there was any idea of your being entrusted with the highest office in this country, had seemed to commit Your Lordship to the views of the

Forward school. The recent Resolution on the land question, however, one may disagree with the controversial part of it, is conceived in a spirit of large-hearted sympathy with the struggling poor, and if the generous principles that it lays down for the future guidance of Local Governments are loyally carried out, they will win for the Government the deep gratitude of the people. In this connection I may venture to state that, so far as my Presidency is concerned, the Supreme Government has admitted the correctness of most of our contentions. Thus it is admitted that the pitch of assessment is too high in Gujarat. In the matter of revision enhancements, it is frankly stated that deviations from the rules have occurred in the past. In paragraph 37 it is strongly urged that in tracts where agricultural deterioration has, owing to whatever causes, taken place, there ought to be reduction of the State demand as a necessary measure of relief; and it is freely admitted that 'there have been cases in which a reduction was not granted till the troubles of the people had been aggravated by their efforts to provide the full fixed demand.' Lastly, greater elasticity is now promised in revenue-collection, facilitating its adjustment to the variations of the seasons and the circumstances of the people. After these frank admissions and generous assurances, it is somewhat interesting to recall a speech of the Revenue Member of the Bombay Government delivered two

30 THE IMPERIAL LEGISLATIVE COUNCIL.

years ago in the Bombay Legislative Council, in which he told us, in reply to our suggestion that the principle of individual inquiry should be abandoned in respect of areas where the crop-failure was general, that a contract was a contract, and that, though Government chose to help those whom it considered most in need of relief, no one could claim such relief as a matter of course. As regards irrigation, it is clear that its claims will receive fair recognition at Your Lordship's hands in the near future. The questions of Police Reform, of Provincial Finance, Agricultural Banks and of Primary, Industrial and Agricultural Education are all evidently receiving Your Excellency's earnest attention. One feels that there is something in the air which indicates that, after sixteen years, questions of domestic reform will once more resume their proper place in the counsels of the Government of India, and the heart owns to a strange flutter of hope, not unmingled with a fear of disappointment, because three years of Your Lordship's term are gone and no one can say how much may be actually accomplished in the two that remain. My Lord, the country is confronted with an economic crisis of unparalleled severity and no mere half-measures will be found to be of much avail. Not 'efficiency' merely, but 'bold and generous statesmanship' must now be written on the slate of the Indian Viceroy. If Prussia could in the course of the last century raise its serf-population

to the position of a strong and flourishing peasantry, I do not see why English statesmen should allow the free peasantry of India gradually to sink to the level of serfs. If the State demand were permanently fixed in the older Provinces, where the conditions laid down in Sir Stafford Northcote's despatch of 1867 have been fulfilled, the measure, I am persuaded, would prove a great boon to the people. A correspondent of the *Times of India*—a journal which has rendered during these trying times signal services to the agriculturists of the Bombay Presidency—in a series of letters which have attracted general attention has demonstrated in a forcible manner the mischievous effects of the present policy of periodical revisions,—how improvements are taxed in spite of statutes and rules at every periodical revision, how lands which can leave no margin for the payment of assessment are assessed all the same, and how the condition of the agricultural community is steadily deteriorating. Permanent settlement in raiyatwari tracts cannot be open to the objection that it is asking the State to surrender a prospective revenue in favour of a 'few individuals.' I admit that such a measure by itself may not suffice to improve the condition of the agriculturists, and that it will be necessary in addition to provide for them cheap money and enable them to compound in some manner with their creditors. If all these measures are taken, they will give the peasantry of the country a real, fresh start, and then

32 THE IMPERIAL LEGISLATIVE COUNCIL.

Government might even place some restrictions on the raiyat's power of free alienation. I am aware that the recent Resolution of the Government of India makes a definite pronouncement against permanent settlement, and that it speaks in terms of disapproval of the permanent settlement granted in Bengal by Lord Cornwallis. It seems to be forgotten, however, that the policy which Lord Cornwallis carried out was William Pitt's policy, and that that great statesman made the land-tax permanent in England at the same time that he asked the Governor-General of India to grant permanent settlement to Bengal. Those, however, who condemn the Bengal settlement have no fault to find with Pitt's fixing the land-tax in perpetuity in England. It is true that Your Lordship's Government has declared itself against permanent settlement, but a position that has been reversed once may be reversed again, and I am not without hope that the wisdom of the proposals of Halifax and Northcote, of Canning and Lawrence—most honoured names among the administrators of India—may come to be appreciated better on some future day. Then the question of mass education must be undertaken in right earnest, and, if it is so undertaken, the present expenditure of Government on public education will require a vast increase. My Lord, it is a melancholy fact that while with us nine children out of every ten are growing up in ignorance and darkness, and four villages out of every five are without a school,

our educational expenditure has been almost marking time for many years past ; whereas in England, where every child of school-going age must attend a school, the Government expenditure on education has mounted from $4\frac{1}{2}$ millions to $11\frac{1}{4}$ millions sterling in the course of 15 years, and Lord Rosebery is not yet satisfied ! It may be asked, how can the two things that I advocate simultaneously be achieved together, namely, a considerable reduction of taxation and a large increase in the outlay on education and other domestic reforms ? My answer is that the only way to attain both objects simultaneously is to reduce the overgrown military expenditure of the country. My Lord, when the strength of the Army was increased in 1885 by 30,000 troops in spite of the protest of the Finance and the Law Members of the Government of India, it was pointed out by those two officers that the then existing strength of the Army was really sufficient for all purposes of India—for keeping quiet within the borders and repelling aggression from abroad, and that if the contemplated increase was effected, it would only constitute a temptation to the Indian Government to undertake undesirable schemes of territorial aggrandizement. The Army Commission of 1879, after an exhaustive inquiry, had come to the same conclusion, *viz.*, that the then strength of the Army was sufficient not merely for the work of maintaining internal peace but also for repelling foreign aggression, even if Russia acted *with Afghani-*

tan as an ally. But the scare of a conflict with Russia was then so great that it carried everything before it, and the proposed additions to the Army were made in India. It may be noted that it was not only in India but in other parts of the British Empire too that large and sudden additions were then made to the existing garrisons, Mr. Gladstone obtaining a large vote of credit for the purpose. But the remarkable circumstance is that, whereas everywhere else the garrisons were reduced to their old proportions as soon as the scare passed away, in India alone the burden came to stay. The result of this was that the prophecy of Sir Auckland Colvin and his colleagues was fulfilled with painful promptitude, and within a year after the increases were made Upper Burma was invaded, conquered and annexed. Well, my Lord, the contention that the additional troops were not wanted for Indian purposes is again forcibly illustrated by the fact that during the last two years over 20,000 troops are engaged outside India in doing the work of the Imperial Government, and that, though one of these two years saw the severest famine of the last century, the peace of the country has continued absolutely unbroken. I am aware that in one of your first speeches in this Council, Your Excellency was pleased to declare that so long as you were at the helm of affairs in India, no suggestion [for a reduction of the strength of the Army would meet with any support

at the hands of the Indian Government. Now, even if an opinion, expressed three years ago, be not liable to modification to-day, what we urge is, I submit, not necessarily a reduction of the strength of the Army located in India, but a reduction of its cost to the Indian people. What strength of the Army should be maintained in India is a question of high Imperial policy in which we are not allowed a voice. But this, I think, we may claim, that if the strength maintained is in excess of India's own requirements, as it is now plainly proved to be, the cost of the excess portion should, as a mere matter of justice, be borne by the Imperial Government. Even on the narrower ground that the Army in India is required for the maintenance of British rule, England, I submit, is as much interested in the maintenance of this rule here as we are, and so it is only fair that a portion of the cost should be borne on the English estimates. If this were done and if Indians were more widely employed in the public service of the country—more particularly in the special departments—Government will be able to reduce taxation and yet find money for more education, better Provincial finance, active efforts for the industrial development of India after the manner of the Japanese Government, and various other schemes of internal reform. Then will Indian finance be really placed on a truly sound basis, and then will our public revenues be administered as those of a poor country

like India should be administered. My Lord, Your Lordship spoke the other day in terms of striking eloquence of the need there is of Indians now giving up narrow views or limited ideals and feeling for the Empire with Englishmen that new, composite patriotism which the situation demands. Now that is an aspiration which is dear to the heart of many of us also. But the fusion of interest between the two races will have to be much greater and the people of India allowed a more definite and a more intelligible place in the Empire before that aspiration is realized. Let Englishmen exercise a certain amount of imagination and put themselves mentally into our place, and they will be able to better appreciate our feelings in the matter. It has been said that a little kindness goes a long way with the people of India. That, I think, is perfectly true. Who, for instance, ever thought of casting a doubt on the loyalty of the Indian Press in the time of Lord Ripon? There was strong language used then as now in the Press, but it was not in the Indian section of it. What, my Lord, is needed is that we should be enabled to feel that we have a Government national in spirit though foreign in personnel—a Government which subordinates all other considerations to the welfare of the Indian people, which resents the indignities offered to Indians abroad as though they were offered to Englishmen, and which endeavours by all means in its power to further the

moral and material interests of the people in India and outside India. The statesman who evokes such a feeling among the Indian people will render a great and glorious service to this country and will secure for himself an abiding place in the hearts of our people. Nay, he will do more—he will serve his own country in a true spirit of Imperialism—not the narrower Imperialism which regards the world as though it was made for one race only and looks upon subject races as if they were intended to be mere footstools of that race—but that nobler Imperialism which would enable all who are included in the Empire to share equally in its blessings and honours. My Lord, I have said all this before Your Lordship not merely because you happen to be Viceroy of India at the present moment, but also because every one feels that Your Lordship is destined for even higher honours and for positions of greater responsibility and influence on your return to your native land. And, if this anticipation is realized, Your Lordship will be in a position—even more so than to-day—to influence the character of the Government of this country in the direction we so ardently desire. In this hope I have spoken to-day, and I respectfully trust Your Lordship will forgive me if here and there I have spoken with a frankness which may appear to be somewhat unusual, but which, in my humble opinion, is one of the highest forms which true loyalty can take.

APPENDIX.

The Census.

Population of British India in Millions.

| | | |
|-----------|---------------|--|
| Census of | 1881...199-04 | Increase during the decade |
| " " | 1891...221-25 | 22-21 millions = 11-3 per cent. |
| " " | 1901...231-01 | Increase 9-76 millions = 4-4 per cent. |

A fall-off during the past decade, as compared with the previous decade—

12-55 millions = 6-9 percentage.

| | | | Increase or decrease. | Percentage of increase or decrease. | REMARKS. |
|------------------------------------|--------|--------|-----------------------|-------------------------------------|--------------------|
| A Assam | 1891 | 1901 | +2-30 | 14 | Normal increase. |
| Sind | | | | | |
| Lower Burma | | | | | |
| Upper Burma | 15-95 | 18-25 | +2-30 | 14 | |
| B Bengal | 118-24 | 122-40 | +4-17 | 3-5 | 7-6 millions less. |
| N.W. Provinces | | | | | |
| Oudh | 29-65 | 27-72 | -1-73 | -5 | 4-7 millions less. |
| C Bombay, Central Provinces, Berar | | | | | |
| D Punjab | 56-49 | 60-64 | +4-15 | 7 | 1-4 millions less. |
| Madras | | | | | |

A—showing a normal development.

B & D have a total increase of 8-3 millions on an aggregate roll of 174-7 millions.

C has lost 1-7 millions in lieu of a normal increase of 3 millions = 4-7 millions the total loss.

Vital Statistics.

| Year. | Total deaths in millions. | Ratio per mille. | REMARKS. |
|-------|---------------------------|------------------|---|
| 1882 | 4-757 | 23-17 | Average for five years (1882-86) 24-84. |
| 1883 | 4-595 | 23-17 | |
| 1884 | 5-237 | 26-44 | |
| 1885 | 5-182 | 26-12 | |
| 1886 | 5-016 | 25-34 | |
| 1887 | 5-508 | 28-35 | Average for five years (1887-91) 28-56. |
| 1888 | 5-087 | 25-74 | |
| 1889 | 5-534 | 27-98 | |
| 1890 | 5-858 | 30-27 | |
| 1891 | 5-896 | 30-49 | |
| 1892 | 6-942 | 32-40 | Average for four years (1892-95), 30-26. |
| 1893 | 5-498 | 25-75 | |
| 1894 | 7-258 | 33-97 | |
| 1895 | 6-178 | 28-94 | |
| 1896 | 6-814 | 32-09 | |
| 1897 | 7-658 | 36-03 | Average for four years (1895-99, a period of plague and famine) |
| 1898 | 5-669 | 26-44 | |
| 1899 | 6-437 | 30-01 | |

The figures for years subsequent to 1899 are not yet available, but the mortality during the famine of 1900-01 has been admittedly dreadful in certain parts of India.

Salt Consumption.

| Year. | Total consumption in millions of maunds. |
|---------|--|
| 1881-82 | 28.37 |
| 1882-83 | 29.79 |
| 1883-84 | 30.65 |
| 1884-85 | 33.00 |
| 1885-86 | 31.69 |
| 1886-87 | 33.72 |

Increase in 5 years succeeding reduction of duty=5.35 million maunds or 18 per cent.

| | | |
|---------|--------|--|
| 1886-87 | 33.72 | During the four years since 1887-88, when the duty was enhanced, a steady decline in consumption took place, though the population of Upper Burma was added to the whole consuming population. |
| 1887-88 | 33.063 | |
| 1888-89 | 31.351 | |
| 1889-90 | 33.046 | |
| 1890-91 | 33.280 | |
| 1891-92 | 34.429 | A slight advance. |
| 1892-93 | 35.057 | |
| 1893-94 | 33.628 | |
| 1894-95 | 34.150 | |
| 1895-96 | 34.685 | |
| 1896-97 | 34.062 | |
| 1897-98 | 34.524 | |
| 1898-99 | 35.26 | |
| 1899-00 | 35.05 | |
| 1900-01 | 35.72 | |

During the 14 years since 1886-87 the consumption has increased from 33.72 to 35.72 million maunds, *i.e.*, just 2 million maunds or less than 6 per cent.

The consumption has not kept pace even with the advance in population and shows no development whatever, such as is exhibited during the five years

which followed the reduction of the salt-duty in 1882-83.

Summary of Agricultural History since 1884-85.

During this period, there has been not only no advance in any of the older provinces but a positive retrogression in all the more important elements of moral well-being.

Punjab.—Seven years of agricultural depression out of fourteen: a fall off in cropped areas under rice, wheat, sugarcane and cotton: the crop yield in several years below average.

N.-W. Provinces.—Six bad years out of fourteen: a decline in rice, wheat, sugarcane, cotton and indigo areas. 1892-97 were years of deficient harvests.

Oudh.—Six bad years: cropped areas stationary with a tendency to a fall off in cotton and sugarcane.

Bengal.—Ten years of agricultural depression out of fourteen: years of deficient harvest, as well as diminished yield.

Central Provinces.—Seven bad years; seven years of diminished cropped acreages and reduced crop yield during the past decade. Cattle mortality very heavy—3,898 million head of cattle having perished during 1896-99.

Bombay.—The whole decade 1889-99-1900 was a bad decade for the Presidency. Six bad years culminating in the famines of 1896-98 and 1899-01, the worst famines on record. In the Dekkhan particularly, scarcely a full crop during the past sixteen years.

Madras.—Four bad years: a stationary state of things during the past decade with a decline in cotton and sugarcane areas.

Two famines.—Famine of 1896-98—population affected, 45·7 millions: the maximum number on relief, 3·89 millions = 8 per cent. nearly.

Famine of 1899-1901—population affected, 25·1 millions: the maximum number on relief, 4·60 millions = 18 per cent.

Cropped Area in British India.

| Year. | Total cropped area. | Double-crop. | Not cropped area. | Irrigated area. |
|-----------|---------------------|--------------|------------------------|-----------------|
| 1890-91 | 217·622 | 23·248 | 194·413 | 28·30 |
| 1891-92 | 210·965 | 23·188 | 187·781 | 27·23 |
| 1892-93 | 221·224 | 23·305 | 195·918 | 26·83 |
| 1893-94 | 225·447 | 28·077 | 197·370 | 26·70 |
| 1894-95 | 223·761 | 27·160 | 196·600 | 23·82 |
| 1895-96 | 213·867 | 24·905 | 188·922 | 26·73 |
| 1896-97 | 200·416 | 22·905 | 177·512 | 29·36 |
| 1897-98 | 223·742 | 27·245 | 196·497 | 30·41 |
| 1898-99 | 223·334 | 27·166 | 196·487 | 30·41 |
| 1899-1900 | 203·895 | 23·745 | 180·151 | 31·54 |
| | 1890-91 | | 194·413 million acres. | |
| | 1898-99 | | 196·487 " " | |

Increase:—2·074 million acres only.

| | | |
|--|---|---------------------|
| Increased acreages in <i>Sind, Assam, Upper and Lower Burma, Coorg and Ajmer.</i> | } | 5·34 million acres. |
|--|---|---------------------|

Therefore, elsewhere a decrease of 3·26 million acres in the older Provinces.

42 THE IMPERIAL LEGISLATIVE COUNCIL.

Thus in the older provinces, the net cropped acreage has fallen off simultaneously with an advance in the population.

The *irrigated area* shows some expansion during the decade, but that is due to droughts more than to the demands of an *intensive* cultivation.

As to double cropping:—Mr. Holderness in his Memo on the Food Production, North-Western Provinces and Oudh (Appendix A), says:—"The area which bears more than one crop a year is counted twice over..... This is not accurate even in cases of genuine double-cropping, as the produce of two harvests from the same field is less than the produce of two fields of the same area. But double-cropping is not unfrequently fictitious, as it often happens that a field is sown for *rabi* because it has failed in *kharif*, and is liable to be included in the double-cropped area."

Much of the double-cropping during the decade has been owing to the uncertainties of the seasons more or less, and is therefore of a "*fictitious character*."

Areas under Superior Crops.

Mere cultivated areas are, however, a subordinate factor in the problem: the profits of cultivation depending principally on the *kind of crop* grown, and the crop-yield obtained.

As to *superior cropping*.—A fall-off in areas under *wheat, cotton, sugarcane, oil-seeds, jute, indigo* in most provinces, as may be seen from the table given below.

As to yield :—The estimate of the local authorities, as given in the Lyall Commission's Report, page 357—working out to 800lb. per acre—is not endorsed by the Commission: they reject the estimates for *Bengal* as particularly *unreliable* and for *Burma* and *Bombay* as *too high*. The Commission are distinctly of opinion that whatever may have been the normal annual surplus of food-grains in 1880, the present surplus *cannot* be greater than that figure.

Areas under certain crops in British India in million acres.

| Year. | Wheat. | Sugar-cane. | Oil-seeds. | Cotton. | Jute. | Indigo. |
|-----------|--------|-------------|------------|---------|-------|---------|
| 1890-91 | 22.03 | 2.793 | 11.58 | 10.968 | 2.479 | 1.215 |
| 1891-92 | 20.18 | 3.134 | 12.84 | 8.839 | 2.100 | 1.155 |
| 1892-93 | 21.48 | 2.861 | 13.54 | 8.940 | 2.181 | 13.23 |
| 1893-94 | 22.21 | 3.033 | 14.81 | 10.438 | 2.230 | 15.35 |
| 1894-95 | 22.76 | 2.889 | 13.72 | 9.717 | 2.275 | 17.05 |
| 1895-96 | 18.53 | 2.930 | 12.84 | 9.600 | 2.248 | 15.69 |
| 1896-97 | 16.18 | 2.631 | 10.53 | 9.459 | 2.215 | 15.83 |
| 1897-98 | 19.94 | 2.648 | 12.56 | 8.914 | 2.159 | 13.66 |
| 1898-99 | 20.22 | 2.756 | 12.16 | 9.178 | 2.690 | 10.13 |
| 1899-1900 | 16.10 | 2.693 | 10.32 | 8.375 | 2.070 | 10.46 |

A marked decline in areas under—

| | | |
|-----------|-------|---------|
| Wheat | since | 1894-95 |
| Sugarcane | „ | 1891-92 |
| Oil-seeds | „ | 1893-94 |
| Cotton | „ | 1893-94 |
| Jute | „ | 1894-95 |
| Indigo | „ | 1894-95 |

CERTAIN EXPORTS AND IMPORTS (VALUE IN CRORES OF RUPEES.)

| Year. | EXPORTS. | | | | | | | | REMARKS. |
|-----------|----------------|---------|--------|----------|--------|------------------------|---------------------------------|------------------------------------|----------|
| | Cotton, raw | Indigo. | Wheat. | Linseed. | Sugar. | Hides and skins. | Manures (bones in lakhs). | Fodder bran, Cattle food. | |
| 1880-81 | 13.24 | 3.57 | 3.27 | 3.69 | .50 | 3.73 | 3.4 | Statistics not available. | 1.16 |
| 1881-82 | 14.94 | 4.50 | 8.62 | 3.00 | .72 | 3.95 | 2.5 | | 1.24 |
| 1882-83 | 16.05 | 3.91 | 6.08 | 3.52 | .98 | 4.44 | 4.3 | | 1.08 |
| 1883-84 | 14.40 | 4.64 | 8.89 | 4.38 | 1.17 | 4.66 | 13.4 | | 1.14 |
| 1884-85 | 13.29 | 4.06 | 6.31 | 4.91 | .79 | 4.93 | 8.4 | | 2.14 |
| 1885-86 | 10.78 | 3.76 | 8.00 | 5.53 | .73 | 5.33 | 10.8 | | 2.14 |
| 1886-87 | 13.47 | 3.69 | 8.62 | 5.17 | .70 | 5.14 | 9.2 | | 1.45 |
| 1887-88 | 14.14 | 3.89 | 5.56 | 4.93 | .64 | 4.86 | 13.2 | | 2.08 |
| 1888-89 | 15.04 | 3.94 | 7.52 | 5.05 | .75 | 4.74 | 17.5 | | 2.11 |
| 1889-90 | 18.67 | 3.86 | 5.79 | 4.73 | .64 | 4.52 | 24.5 | | 1.79 |
| 1890-91 | 16.53 | 3.07 | 6.04 | 4.98 | .70 | 4.69 | 33.9 | 2.20 | |
| 1891-92 | 10.76 | 3.21 | 6.04 | 6.79 | .70 | 5.18 | 23.6 | 3.39 | |
| 1892-93 | 12.74 | 4.14 | 7.44 | 5.52 | .83 | 5.59 | 25.0 | 2.56 | |
| 1893-94 | 13.31 | 4.18 | 5.19 | 7.50 | 1.23 | 5.80 | 28.0 | (In lakhs.) | 2.62 |
| 1894-95 | 8.70 | 4.74 | 2.56 | 6.74 | .82 | 6.58 | 47.8 | 19 | 2.82 |
| 1895-96 | 14.09 | 5.35 | 3.91 | 4.13 | .79 | 7.64 | 46.0 | 21 | 2.87 |
| 1896-97 | 12.97 | 4.35 | .83 | 3.55 | .91 | 7.00 | 42.2 | 26 | 3.10 |
| 1897-98 | 8.87 | 3.05 | .34 | 2.86 | .41 | 8.31 | 39.5 | 30 | 3.15 |
| 1898-99 | 11.19 | 2.97 | 9.71 | 5.13 | .38 | 7.43 | 40.8 | 44 | 4.78 |
| 1899-1900 | 9.12 | 2.69 | 3.90 | 4.50 | .45 | 10.46 | 61.2 | 44 | 4.01 |
| 1900-1901 | 10.12 | 2.13 | .03 | 4.45 | .25 | 11.46 | 59.0 | 57 | 3.87 |
| | | | | | | | | 70 | 5.65 |

Export of Cotton—Falling off since 1889-90.

In 1889-00—18·6 crores.

„ 1900-1901—10·1 crores,

or less by $8\frac{1}{2}$ crores.

Export of Indigo—A decline during 1884-85 to 1892-93,

„ again during 1896-7 to 1900-01.

In 1883-84—4·64 crores.

Last year—2·13 crores only,

or less by 2·51 crores.

Export of Wheat—Declining since 1892-93—

In 1883-84—8·89 crores.

In 1899-1900—3·9 crores only,

or less by 5 crores.

Export of Linseed—Falling off since 1893-94.

In 1893-94—7·5 crores.

Last year—4·45 crores only,

or less by 3 crores.

Export of Sugar—In 1883-84—1·17 crores.

Last year—·25 crores only,

i.e., nearly wiped out.

Export of Hides and Skins—An enormous increase.

In 1880—3·75 crores.

In 1900-01—11·46 crores,

or more by $7\frac{3}{4}$ crores.

Export of Manures (bones)—A large increase—from 3 lakhs in

1880, to 59 lakhs last year.

Export of Fodder—Also a large increase—from 19 lakhs in 1893-

94, to 70 lakhs last year.

Imports of Sugar—Show an enormous expansion.

In 1880-81—1·61 crores.

Last year—5·65 crores,

or more by 4 crores.

BUDGET SPEECH, 1903.

[At a meeting of the Imperial Legislative Council held on Wednesday the 25th March 1903, His Excellency Lord Curzon presiding, the Hon. Mr. G. K. Gokhale made the following speech on the Financial Statement for 1903-04 presented by the Hon. Sir Edward Law].

YOUR EXCELLENCY; I desire at the outset respectfully to associate myself with what has been said by my Hon'ble colleagues, who have preceded me, in recognition of the important measures adopted by Government this year to give relief to the tax-payers of this country. For five successive years now, the Hon'ble Finance Member has been able to announce a large surplus of revenue over expenditure, and these surpluses have aggregated over 22 crores of rupees, as may be seen from the following figures:—

| Year | Surplus in crores of Rupees. |
|---------------------|---------------------------------|
| 1898-99 | 3·9 |
| 1899-1900 | 4·2 |
| 1900-1901 | 2·5 |
| 1901-1902 | 7·4 |
| 1902-1903 | 4·1 |
| <hr/> | |
| Total for 5 years | 22·1 |
| <hr/> | |

Moreover, a sum of over 11 crores has been spent during the period out of current revenues for meeting extraordinary charges, but for which the aggregate surplus would have amounted to over 33 crores of rupees. My Lord, to take from the people a sum of 22 crores in five years over and above the requirements of Government—ordinary and extraordinary—at a time again when the country was admittedly suffering from famine and plague and general industrial depression as it had never suffered before, is a financial policy, the justification of which is not at all clear; and I cannot help thinking that even the cautious mind of the Hon'ble Member ought to have been satisfied with a shorter period than five years and a smaller total surplus than 22 crores to be able to recognize that with a 16*d.* rupee Government were bound to have large and recurring surpluses year after year, when the level of taxation had been so determined as to secure financial equilibrium on the basis of a 13*d.* rupee. However, it is better late than never, and I sincerely rejoice that my Hon'ble friend was at last able to advise Government that the time had come when the claims of the tax-payers, who have had to submit to continuous and ceaseless additions to the taxation of the country during the last eighteen years, to some measure of relief might be safely considered. My Lord, as regards the particular form of relief, decided upon by Government, I have nothing

but the warmest congratulations to offer. I confess I was not without apprehension that Lancashire, with its large voting strength in the House of Commons and its consequent influence with the Secretary of State for India, might once more demonstrate how powerless the Indian Government was to resist its demands and that the abolition of cotton-duties might take precedence of the reduction of the duty on salt. My fears, however, have happily been proved to be groundless, and I respectfully beg leave to congratulate Government on the courage, the wisdom and the statesmanship of their decision. Public opinion in India has for a long time prayed for these very measures of relief, and the National Congress has, year after year, urged upon the attention of Government the necessity of raising the taxable minimum limit of the income-tax from five hundred rupees to one thousand, and of reducing the duty on salt from Rs. 2-8 a maund to Rs. 2 at the earliest opportunity. My Lord, I am surprised to hear the opinion expressed in some quarters that the reduction of the salt-duty will not really benefit the vast mass of our population, but that it will only mean larger profits to small traders and other middlemen. I think that those who express such an opinion not only ignore the usual effect on prices of competition among the sellers of commodities, but that they also ignore the very obvious lesson which the figures of salt consumption during the last

twenty years teach us. An examination of these figures shows that, during the five years that followed the reduction of the salt duty in 1882, the total consumption of salt advanced from 28·37 millions of maunds to 33·71 millions—an increase of 5·35 million maunds or fully 18 per cent. In 1887-88, the duty was raised from Rs. 2 to Rs. 2-8 a maund, which not only arrested the steady increase of the previous five years, but actually led to a reduced consumption during the next four years, and this in spite of the fact that the figures for these years included for the first time the figures of salt consumption in Upper Burma. It was not till 1891-92 that the ground thus lost was again recovered, but since then consumption has remained virtually stationary—only a very slight advance of less than 6 per cent. being recorded in 14 years as against an increase of 18 per cent. in five years previous to the enhancement of the salt duty. My Lord, I am confident that what has happened before will happen again, and that the Finance Member will not have to wait long before he is able to announce that the consumption of salt is once again steadily on the increase, that the loss of revenue caused by the reduction in duty at present will be only a temporary loss, and that in a few years' time it will disappear altogether in consequence of increased consumption. Again, my Lord, I have heard the opinion expressed that the duty on salt does not after all con-

stitute any serious burden on the resources of the poorer classes of our community, because this duty, it is urged, is the only tax which they contribute to the State. Here, again, I must say that those who express such a view hardly realize what they are talking about. Our revenue is principally derived from Land, Opium, Salt, Excise, Customs, Assessed Taxes, Stamps, Forests, Registration and Provincial Rates. Of these, the Opium Revenue is contributed by the foreign consumer and may be left out of account. Of the remaining heads, the proceeds of the Assessed Taxes are the only receipts that come exclusively from the middle and upper classes of the people, and they are represented by a comparatively small sum—being less than two crores of rupees a year. On the other hand, the bulk of the Salt Revenue comes from the pockets of the poorer classes. The Abkari Revenue again is contributed mainly by them ; so also is the Forest Revenue. Under Stamps and Registration, they contribute their fair share—possibly more than their share, as the bulk of our litigation is about small sums. I believe they also contribute their share under Customs. And as regards Land Revenue and Provincial Rates, in raiyatwari tracts at any rate, a large proportion of this revenue comes from very poor agriculturists. So far, therefore, from contributing less than their fair share to the exchequer of the State, the poorer classes of our community contribute, as a matter of fact, much more

than they should, relatively to their resources ; and Government have, therefore, done wisely in deciding to give relief to these classes by a reduction of the duty on salt. I trust it may be possible for Government to reduce this duty still further in the near future, for the consumption of salt, which in the time of Lord Lawrence was found to be about 12lb. per head in some parts of India, is now not even 10lb. per head, whereas the highest medical opinion lays down 20lb. per head as a necessary standard for healthful existence.

My Lord, in the remarks which I made in the course of the Budget discussion of last year, I dwelt at some length on the heavy and continuous additions made by Government to the taxation of the country since 1886, and I urged that as the currency policy adopted by Government had put an end to their exchange difficulties, some relief should be given to the sorely-tried tax-payers by a reduction of the salt-duty a raising of the taxable minimum limit of the income-tax, and the abolition of the excise-duties on cotton-goods. Two of these three prayers have been granted by Government this year, and it was much to be wished that they had seen their way to grant the third also. These excise-duties illustrate what John Stuart Mill has said about the Government of the people of one country by the people of another. They were levied not for revenue purposes but as a concession to the selfish agitation of Manchester. They are main-

tained owing to a disinclination on the part of Government to displease that same powerful interest, though the mill industry in this country, owing to various causes, not the least important of which is the currency policy of Government themselves, is in a state of fearful depression. The justification ostensibly urged in favour of their retention is that the principles of free trade would be violated if they were removed while the imports from Manchester were liable to Customs-duties. The hollowness of this justification has, however, been effectively shown up by the present Editor of the *Times of India* in the brief Introduction contributed by him to a pamphlet, published some time ago by my friend Mr. B. J. Padshah, in which the question of the effect produced by the excise-duties on the cotton-industry of India has been examined with elaborate care and a clear grasp of principles.

"In deference to the representations of Lancashire mill-owners," says the writer of the Introduction, "India was compelled to impose an excise-duty upon her own cotton-manufactures. That is to say, she was forced to tax an internal industry at a peculiarly inopportune time for the benefit of Lancashire. She was practically sacrificed to the political exigencies of the moment. The British Parliament has now imposed a duty—not large but enough to be felt—upon imported corn. India sends corn to England just as Lancashire sends piece-goods to India. If the British Parliament really desires to render that justice to India which it so frequently professes, its only logical course must be to place an excise-duty on its own home-grown corn. Such a proposition is naturally impossible, but it serves to throw into strong relief the essential injustice of the present treatment of the Indian cotton-

industry. The British Parliament is willing enough to thrust taxation upon Indian mill-owners for the benefit of their Lancashire brethren : but it places a protecting arm round the British farmer as against India."

In no other country would such a phenomenon of the Government taxing an internal industry—even when it was bordering on a state of collapse—for the benefit of a foreign competitor be possible, and I am inclined to believe that the Government of India themselves regret the retention of these duties as much as any one else. I earnestly hope that, before another year is over, the Secretary of State for India and the British Cabinet will come to realize the great necessity and importance of abolishing these duties, whose continued maintenance is not only unjust to a great Indian industry, but also highly impolitic on account of the disastrous moral effect which it cannot fail to produce on the public mind of India.

My Lord, the Financial Statement rightly observes that for the first time since 1882, the Government of India have this year been able to announce a remission of taxation. Twenty-one years ago, a Viceroy, whose name will ever be dear to every Indian heart, assisted by a Finance Minister who has since risen to a most distinguished position in the service of the Empire, took advantage of the absence of any disturbing elements on the financial horizon to modify and partially reconstruct the scheme of our taxation and expenditure. The financial reforms of Lord Ripon and

Major Baring (now Lord Cromer), joined to other great and statesmanlike measures of that memorable administration, roused throughout the country a feeling of enthusiasm for British rule such as had never before been witnessed: and the mind of every Indian student of political and financial questions constantly harks back to that time, because it sought to fulfil in a steady and earnest manner the higher purpose of England's connection with India. The fiscal status established during that period was rudely disturbed in 1885 in consequence of an apprehension of Russian aggression on the North-Western Frontier, and a period of continuous storm and stress, financial and otherwise, followed, which I venture to think has now happily come to a close. During the 14 years—from 1885 to 1898—the Government of India took about 120 crores of rupees from the people of this country over and above the level of 1882-85 (inclusive of about 12 crores for Upper Burma) under the larger heads of Revenue—about 36 crores under Land Revenue, 25 under Salt, 12 under Stamps, 18 under Excise, $15\frac{1}{2}$ under Customs and $13\frac{1}{2}$ under Assessed Taxes. Nearly 80 crores out of this additional 120 crores, *i.e.*, fully two-thirds, was swallowed up by the Army services, whereas the share that fell to the lot of public education out of this vast sum was represented by less than a crore of rupees. My Lord, I mention these facts not to indulge in vain regrets about a past which is now beyond recall, but

because I wish earnestly and respectfully to emphasise the great necessity of increased expenditure in future on objects which have so far been comparatively neglected, as on these the ultimate well-being of the people so largely depends. As things stand at present, Indian finance is virtually at the mercy of military considerations, and no well-sustained or vigorous effort by the State on an adequate scale for the material advancement or the moral progress of the people is possible while our revenues are liable to be appropriated in an ever-increasing proportion for military purposes. My Lord, I do not wish to speak to-day of the serious and alarming increase that has taken place during the last eighteen years in the military expenditure of the country, which has risen in a time of profound peace from about $17\frac{3}{4}$ crores—the average for 1882-85—to $26\frac{3}{4}$ crores—the amount provided in the current year's Budget, *i.e.*, by over 50 per cent. when the revenue derived from the principal heads has risen from 51 crores to 69 crores only, *i.e.*, by about 35 per cent. Our Military expenditure absorbs practically the whole of our Land-revenue and exceeds the entire civil expenditure of the country by about $2\frac{1}{2}$ crores, thus demonstrating the excessive preponderance of the military factor in Indian finance. In no country throughout the civilised world do the Army Services absorb so large a proportion of the national income. Not even in Russia is this expenditure more

than one-fourth of the total ordinary revenue, while with us it is about one-third, omitting, of course, from the Revenue side Railway receipts, which are balanced by a corresponding entry on the Expenditure side. Military safety is no doubt a paramount consideration to which every other must yield, but military preparedness has no definite standard and might absorb whatever resources can be made available for it practically without limit. Moreover, the demands of military improvement must grow more and more numerous and insistent as years roll by, and there can be no finality in such matters. Military efficiency must, therefore, as Lord Salisbury once pointed out, be always *relative*, *i.e.*, determined in the case of each country by a combined consideration of its needs of defence and the resources that it can fairly devote for the purpose. Judged by this test, our military expenditure must be pronounced to be much too heavy, and unless effective measures are taken to bring about its reduction, or at any rate prevent its further increase, there is but little hope that Government will ever be able to find adequate funds for public education or other important and pressing measures of internal improvement. The question cannot be put better than in the eloquent words used by Lord Mayo in his memorable minute on the subject dated 3rd October 1870—words which are as true to-day as they were 30 years ago—if anything, even more so.

"Though the financial necessities of the hour," said he, "have brought more prominently to our view the enormous cost of our army (16·3 crores) as compared with the available resources of the country, I cannot describe fiscal difficulty as the main reason for the course we have taken. I consider that if our condition in this respect was most prosperous, we should still not be justified in spending *one shilling more* on our army than can be shown to be absolutely and imperatively necessary. There are considerations of a far higher nature involved in this matter than the annual exigencies of finance or the interests of those who are employed in the military service of the Crown. Every shilling that is taken for unnecessary military expenditure is so much withdrawn from those vast sums which it is our duty to spend for the moral and material improvement of the people."

The present strength of our Army is in excess of what the Simla Commission of 1879—of which Lord Roberts was a member—pronounced to be sufficient both for the purpose of maintaining internal peace and for repelling foreign aggression, not only if Russia acted alone, but even if she acted with Afghanistan as an ally. General Brakenbury, some time ago Military Member of the Governor General's Council admitted in his evidence before the Welby Commission that the present strength was in excess of India's own requirements and that a portion of it was maintained in India for imperial purposes. The truth of this statement was forcibly illustrated during the last three years when India was able to spare, without apparent danger or inconvenience, a large number of troops for Imperial purposes in South Africa and China. Again, since the Army increases of 1885 were made, a great

deal has been done at a heavy outlay of money to strengthen our coast and frontier defences and to place the administration of the Army on a sounder basis. The armed strength has, moreover, improved in other directions also. The number of Volunteers has increased by nearly 13,000 men. The Native Army reservists now number close upon 20,000 and the Imperial Service troops about 18,904—both new and recent creations. My Lord, I am free to admit that in these matters Government are bound to be guided, mainly, if not exclusively, by the opinion of their expert military advisers. But there are certain broad features of the situation—certain large questions of general policy—which, I believe, it is open to every one to discuss : and I venture to submit with much diffidence and not without a sense of responsibility, a few remarks on this subject for the consideration of Your Excellency's Government. Our Army is for all practical purposes a standing army, maintained on a *war footing* even in times of peace. It is altogether an *inexpansive* force, without any strong auxiliary supports in the country such as exist in European States, and its strength can be augmented only by an arithmetical increase of its cost. In Western countries and even in Japan, which has so successfully copied the Western system, the establishment maintained in times of peace can, owing to their splendid system of reserves, be increased three, four, five, even six times in times of war. Japan, for

instance, which spends on her Army in times of peace about one-fourth of what we spend, has a peace establishment half our own and can mobilize in times of war nearly double the number of men that India can. The British troops in this country are under the Short Service system, but owing to the peculiarity of the situation, the main advantage of short Service—*viz.*, securing for the country a large body of trained reservists—goes to England, while all the disadvantages of the system—the paucity of seasoned soldiers, increased payments to the British War Office for recruitment charges and increased transport charges—have to be borne by us. The Native Army is in theory a Long Service army, but it was calculated by the Simla Army Commission, on the basis of the strength which then existed, that as many as 80,000 trained Native soldiers obtained their discharge and returned to their homes in ten years' time. And the formation of reserves was proposed by the Commission so as to keep the greater number of these men bound to the obligations of service and also in the hope that the reserves so formed in time of peace might 'enable the Government to reduce the peace strength of the Native Army.' The Commission apprehended no political danger from such a restricted system of reserves, and it was calculated that the proposed reserves, if sanctioned, would absorb about 52,000 out of the 80,000 men retiring from the Army every ten years. Acting

on this recommendation, Lord Dufferin's Government decided on the formation of such reserves and proposed to begin with two kinds—regimental and territorial reserves—of which the latter system was naturally better suited to the circumstances of such a large country and would undoubtedly have succeeded better. But the India Office, more distrustful in the matter than the men on the spot, disallowed the formation of territorial reserves, with the result that our reservists to-day do not number even 20,000 men. Practically, therefore, we have to place our sole reliance on a standing army and while the plan is, financially, the most wasteful conceivable, even as an organization of national defence, it is radically faulty. No pouring out of money like water on mere *standing battalions* can ever give India the military strength and preparedness which other civilized countries possess, while the whole population is disarmed and the process of de-martialization continues apace. The policy of placing the main reliance for purposes of defence on a standing army has now been discarded everywhere else, and at the present moment India is about the only country in the civilized world where the people are debarred from the privileges of *citizen soldiery* and from all voluntary participation in the responsibilities of national defence. The whole arrangement is an unnatural one; one may go further and say that it is an impossible one, and if ever unfortunately a day of real stress and danger comes,

Government will find it so. My Lord, I respectfully plead for a policy of a little more trust in the matter. I freely recognize the necessity of proceeding with great caution, and if Government are not prepared to trust all parts of the country or all classes of the community equally, let them select particular areas and particular sections of the community for their experiment. What I am anxious to see is the adoption of some plan, whereby, while a position of greater self-respect is assigned to us in the work of national defence, the establishments necessary during peace and war times may be separated and thus our finances may be freed from the intolerable pressure of an excessive and ever-growing military expenditure.

My Lord, the question which, in my humble opinion, demands at the present moment the most earnest and anxious attention of Government is the steady deterioration that is taking place in the economic condition of the mass of our people. In my speech on last year's Budget, I ventured to dwell at some length on this subject, and I have no wish to repeat again to-day what I then said. But the Hon'ble Sir Edward Law has made a few observations on the question in the Financial Statement under discussion which I deem it my duty not to allow to pass unchallenged. At page 20 of the Statement, under the heading of Economic Progress, my Hon'ble friend observes :—

62 THE IMPERIAL LEGISLATIVE COUNCIL.

"As a general indication of the increasing wealth of the taxpayers, I think that a very fairly correct estimate of the position is to be obtained by noting the increase in revenue returns under heads the returns from which are manifestly dependent on their spending power. Such heads are Salt, Excise, Customs, Post Office and in a lesser degree Stamps, and I give the following figures, showing progress in revenue under these heads during the last three years. The inevitable deduction from the figures tabulated must be that *the material prosperity of the people as a whole is making good progress.*"

My Lord, I can only say that I am amazed at the Hon'ble Member's idea of what he calls the 'good progress' of the material prosperity of the people. Are the figures really so striking that they should convey to his mind a clear and emphatic assurance on a momentous question and fill him with such evident satisfaction? Last year, in replying to some of the remarks which I had made on this subject, the Hon'ble Member was pleased to state that I had been arbitrary in my selection of certain periods for comparison and that I had compared the statistics of an earlier period which was normal with those of a later period which was disturbed by successive famines. The Hon'ble Member's criticism was passed on a misapprehension, because I had precisely avoided doing what he said I had done. However, having passed

that criticism on me, one would have expected that the Hon'ble Member would be particularly careful in the selection of his own statistics. I am sorry, however, my Lord, to find that some of his figures are not only arbitrarily selected, but are used in a manner which I can only describe as misleading. Take, for instance, the figures of Salt-revenue. The Hon'ble Member starts with the year 1899-1900, when the Salt-revenue was 5'85 millions sterling, and points out that it had risen to 6'04 millions for 1902-1903. Now, in the first place, the rise here is very small. But will the Hon'ble Member tell me why he took 1899-1900 as his starting year and not the preceding one, *viz.*, 1898-99, the Salt-revenue for which was 6'06 millions sterling, *i.e.*, slightly over the figure for 1902-03 ? If we take 1898-99 as our starting year, we can deduce from these same figures the conclusion that the Salt-revenue has actually diminished during these four years and that the ground lost since 1898-99 has not yet been regained. Again, take the figures for Stamps. As they are presented by the Hon'ble Member, they no doubt show a small steady increase and the revenue for 1902-03 appears larger than for 1901-02, the figures given by the Hon'ble Member being 3'472 millions sterling for 1902-03 as against 3'446 millions sterling for 1901-02. But the Hon'ble Member seems to have lost sight of the fact that the figure for 1902-03 includes the revenue for Berar, which the figure for 1901-02 does not do ;

so that for purposes of a fair comparison the Berar revenue must be deducted from the former. The amount for Berar included in the figure for 1902-03 is, as Mr. Baker tells us, about £28,700. And, this amount being deducted, we get for 1902-03 a revenue of 3·443, which, it will be seen, is slightly lower than for the preceding year; and in fact Mr. Baker himself speaks in his note of the Stamp-revenue declining slightly during the year. The Hon'ble Member has also omitted to deduct receipts for Berar under Excise and Post Office from his figures for 1902-03, and has moreover made no mention, as Mr. Baker has done, of the recent assemblage at Delhi being responsible for a portion of the increase under Post Office. It is true that, even after deducting the Berar quota, the Excise-revenue shows some increase, but the Hon'ble Member must forgive me if I say that that is not necessarily a sign of increased prosperity, though it is undoubtedly a sign of increased drunkenness in the land. Finally, many will decline to accept an increase of Customs-revenue in the present circumstances of India as any evidence of growing material prosperity. The bulk of our imports consists of manufactured goods, and almost every increasing import of foreign goods—far from indicating any increase in the country's purchasing power—only connotes a corresponding displacement of the indigenous manufacturer. Thus, while the import of cotton-goods has been for years past steadily increas-

ing, we know, as a matter of fact, that hundreds and hundreds of our poor weavers throughout the country have been and are being driven by a competition they cannot stand to give up their ancestral calling and be merged in the ranks of landless labourers—and this typifies to a great extent the general transformation that is fast proceeding throughout the country. The process of such displacement is not yet complete, but the large and progressive totals of our import-trade only show that the transition of the country from the partially industrial to the purely agricultural phase of economic life is going on at a rapid pace, and that the movement has already reached an advanced stage. There is at present hardly a country in the world which has become so preponderatingly agricultural or sends abroad so much of its food-supply and raw material for manufacture as British India. When the disastrous transformation is completed—and this is now only a question of time unless remedial measures on an adequate scale are promptly undertaken—it will reveal a scene of economic helplessness and ruin before which the heart of even the stoutest optimist will quail. No doubt there are here and there signs of an awakening to the dangers of the situation: but the first condition of this awakening producing any appreciable practical results is that the fact of our deep and deepening poverty and of the real exigencies of the economic position should come to be frankly recognized by the

Government of this country. And, my Lord, it is a matter for both surprise and disappointment that a few paltry increases in revenue under certain heads should be accepted by the Finance Minister of this country as conclusive evidence of our growing material prosperity, when many most important indications point just the other way. The annual death-rate, independently of famine and plague, has been steadily rising for the last twenty years, showing that a steadily increasing proportion of the population is being underfed; the increase of population during the last decade has been much less than normal; there has been a diminution of the net cropped area in the older Provinces and a more or less general shrinkage of the area under superior crops; the indebtedness of the agricultural population has been alarmingly on the increase all over the country; their losses in crops and cattle during the last five years have been estimated at 300 crores of rupees; the currency legislation of Government has enormously depreciated their small savings in silver; the wages of labourers have not risen, during the last twenty years and more, in proportion to the rise in the prices of necessaries. I venture to think that unless these disquieting symptoms are properly diagnosed, not even the high authority of my Hon'ble friend will suffice to convey any assurance to the public mind that 'the material prosperity of the people as a whole is making good progress,' and that no apprehensions

need be entertained for the future, if only the revenue under certain heads continues to advance as it has done during the past three years.

My Lord, Indian finance seems now to be entering upon a new and important phase, and the time has come when Government should take advantage of the comparative freedom, which the country at present enjoys from the storm and stress of the past eighteen years, to devote its main energies to a vigorous and statesmanlike effort for the promotion of the material and moral interests of the people. Speaking roughly, the first half of the nineteenth century may be said to have been for British rule a period of conquest and annexation and consolidation in this land. The second half has been devoted mainly to the work of bringing up the administrative machine to a high state of efficiency and evolving generally the appliances of civilized Government according to Western standards. And I venture to hope that the commencement of the new century will be signalized by a great and comprehensive movement for the industrial and educational advancement of the people. After all, the question whether India's poverty is increasing or decreasing under the operation of the influences called into existence by British rule—though of great importance in itself—is not nearly so important as the other question as to what measures can and must be taken to secure for this country those moral and material advantages

which the Governments of more advanced countries think it their paramount duty to bring within the easy reach of their subjects. My Lord, I have no wish to judge, it is perhaps not quite just to judge, the work done so far in these directions by the British Government in India by the standard of the splendid achievements of countries more fortunately circumstanced and having a more favourable start than ourselves in the field. I admit the exceptional character of our Government and the conflicting nature of the different interests which it has got to weigh before taking any decisive action in this matter. But after so many years of settled government and of unchallenged British supremacy, it is, I humbly submit, incumbent now upon the rulers of this country to gradually drop the exceptional character of this rule and to conform year by year more and more to those advanced notions of the functions of the State which have found such wide, I had almost said, such universal acceptance throughout the Western world. European States, for years past, have been like a number of huge military camps lying by the side of one another. And yet in the case of those countries, the necessity of military preparedness has not come and does not come in the way of each Government doing its utmost in matters of popular education and of national industries and trade. Our record in this respect is so exceedingly meagre and unsatisfactory, even after making allowances for our peculiar situation,

that it is almost painful to speak of it along with that of the Western nations. In Europe, America, Japan and Australia, the principle is now fully recognised that one of the most important duties of a Government is to promote the widest possible diffusion of education among its subjects, and this not only on moral but also on economic grounds. Professor Tews of Berlin, in an essay on Popular Education and National Economic Development, thus states his conclusions on the point:—

“1. General education is the foundation and necessary antecedent of increased economic activity in all branches of national production in agriculture, small industries, manufactures and commerce. (The ever-increasing differentiation of special and technical education, made necessary by the continual division of labour, must be based upon a general popular education and cannot be successful without it.)

2. The consequence of the increase of popular education is a more equal distribution of the proceeds of labour contributing to the general prosperity, social peace, and the development of all the powers of the nation.

3. The economic and social development of a people, and their participation in the international exchange of commodities, is dependent upon the education of the masses.

4. For these reasons the greatest care for the fostering of all educational institutions is one of the most important national duties of the present.”

My Lord, it is essential that the principle enunciated with such lucidity by Professor Tews in the foregoing propositions should be unreservedly accepted in this country as it has been elsewhere, and that a

scheme of mass education should now be taken in hand by the Government of India so that in the course of the next twenty-five or thirty years a very appreciable advance in this direction might be secured. It is obvious that an ignorant and illiterate nation can never make any solid progress and must fall back in the race of life. What we therefore want—and want most urgently—is first of all a widespread diffusion of elementary education—an effective and comprehensive system of primary schools for the masses—and the longer this work is delayed, the more insuperable will be our difficulties in gaining for ourselves a recognized position among the nations of the world. My Lord, the history of educational effort in this country during the last 20 years is sad and disheartening in the extreme. Lord Ripon's Government, which increased the State contribution to education by about 25 per cent., *i.e.*, from 98 lakhs to 124 lakhs between 1880 and 1885, strongly recommended, in passing orders upon the Report of the Education Commission of 1882, that Local Governments and Administrations should make a substantial increase in their grants to Education and promised special assistance to them from the revenues of the Government of India. But, before the liberal policy thus recommended could be carried out, a situation was developed on the frontiers of India which led to increased military activity and the absorption of all available resources for Army purposes, with the result

that practically no additional funds were found for the work of Education. And in 1888 the Government of India actually issued a Resolution stating that, as the duty of Government in regard to Education was that of merely pioneering the way, and as that duty had on the whole been done, the contribution of the State to Education should thereafter have a tendency to decrease. Thus, while in the West the Governments of different countries were adopting one after another a system of compulsory and even free primary education for their subjects, in India alone the Government was anxious to see its paltry contribution to the education of the people steadily reduced! In the quinquennium from 1885-86 to 1889-90 the State grant to Education rose from 124·3 lakhs to 131·6 lakhs only i.e., by less than 6 per cent., and this in spite of the fact that the amount for the latter year included State expenditure on Education in Upper Burma which the former year did not. Since 1889-90 the advance under the head of Educational expenditure from State funds has been slightly better, but part of this increase since 1893 has been due to the grant of exchange compensation allowance to European officers serving in the Educational Department throughout India. It is only since last year that the Government of India has adopted the policy of making special grants to Education, and I earnestly hope that, as year follows year, not only will these grants be increased, but they will be made

a part of the permanent expenditure of the State on Education. In this connection I would earnestly press upon the attention of Government the necessity of making Education an Imperial charge, so that the same attention which is at present bestowed by the Supreme Government on matters connected with the Army Services and Railway expansion might also be bestowed on the education of our people. Under present arrangements, Education is a Provincial charge and the Provincial Governments and Administrations have made over Primary Education to local bodies whose resources are fixed and limited. No serious expansion of educational efforts is under such arrangements possible. In the Bombay Presidency, for instance, District Local Boards, which have charge of Primary Education in rural areas, derive their revenue from the one-anna cess which they have to devote in certain fixed proportions to Primary Education, Sanitation and Roads. Now, our revenue-settlements are fixed for 30 years; which means that the proceeds of the one-anna cess in any given area are also fixed for 30 years; and as Government, as a rule, contributes only $\frac{1}{3}$ rd of the total expenditure of these boards on Education, it is clear that the resources that are available at present for the spread of Primary Education in rural areas are absolutely inelastic for long periods. There are altogether about $5\frac{1}{2}$ lakhs of villages in British India, out of which, it has been calcu-

lated, four-fifths are at present without a school; the residents of these villages pay the local cesses just like other villagers, and yet the necessary educational facilities for the education of their children are denied them!

The position as regards the spread of primary education and the total expenditure incurred in connection with it in different countries is shown in the following table. The figures are taken from the Reports of the United States Commissioner of Education, and are for 1897 or 1898 or 1899 or 1900 as they have been available:

[*Note*: This speech does not end here.]

74 THE IMPERIAL LEGISLATIVE COUNCIL.

| Name of Country. | Population in Millions. | Total enrolment in Primary Schools in Millions. | Ratio of enrolment to population. | Total expenditure in millions of pounds. | Expenditure per head of population. | REMARKS. |
|---------------------|-------------------------|---|-----------------------------------|--|-------------------------------------|---|
| EUROPE. | | | | | | |
| Austro-Hungary | 41.4 | 6.2 | 15 | 5.35 | s. d. 2 6 | Expenditure figures not available. |
| Belgium ... | 6.7 | .8 | 14.5 | 1.5 | 4 6 | |
| Denmark ... | 2.2 | .3 | 14 | ... | ... | |
| France ... | 38.5 | 5.5 | 14.4 | 8.9* | 4 11 | |
| Prussia ... | 34.5 | 6.3 | 20 | 9.2 | 5 4 | *On public Schools only, which enrol about three-fourths the total. |
| England and Wales | 31.7 | 5.7 | 17.7 | 12.1 | 5 0 | |
| Scotland ... | 4.3 | .7 | 17 | 1.6 | 7 8 | |
| Ireland ... | 4.5 | .8 | 17.6 | 1.2 | 5 5 | |
| Greece ... | 2.5 | .16 | 6.7 | ... | ... | Figures of expenditure not available. |
| Italy ... | 32 | 2.4 | 7.3 | 2.5 | 1 7 | |
| Norway ... | 2 | .3 | 16.4 | 4.5 | 4 6 | Do. do. † State contribution only. |
| Portugal ... | 5 | .24 | 4.7 | ... | ... | |
| Russia ... | 126.5 | 3.8 | 3 | 14 | 0 8 | |
| Spain ... | 18.2 | 1.4 | 7.4 | ... | ... | Figures of expenditure not available. |
| Sweden ... | 5.1 | .74 | 14.5 | 1.1 | 4 2 | |
| Switzerland ... | 3.1 | .65 | 20.7 | 1.3 | 8 5 | |
| ASIA. | | | | | | |
| India (British) ... | 221.2 | 3.16 | 1.4 | .76 | 0.83 | |
| Japan ... | 42.7 | 3.3 | 7.8 | 2 | 0 11 | |
| AFRICA. | | | | | | |
| Cape Colony ... | 1.5 | .15 | 9.65 | .27 | 3 6 | Expenditure figures not available. |
| Natal ... | .54 | .02 | 4.50 | .06 | 2 2 | |
| Egypt ... | 9.7 | .21 | 2.17 | ... | ... | |
| AMERICA. | | | | | | |
| United States ... | 75.3 | 15.3 | 20.9 | 44.5 | 9 10 | |
| Canada ... | 5.2 | .95 | 18 | 2 | 7 9 | |
| AUSTRALASIA. | | | | | | |
| | 4.3 | .79 | 18 | 2.5 | 11 7 | |

The figures of expenditure on Higher Education in various countries are also most interesting and instructive:—

| Name of country. | | Total amount spent. | Expenditure per capital of population. |
|--------------------------|--------|---------------------------|---|
| Austria | ... .. | 56 millions sterling. ... | 6 <i>d.</i> |
| Belgium | ... .. | 16 " " ... | 6 <i>d.</i> |
| Denmark | ... .. | 06 " " ... | 8 <i>d.</i> |
| France | ... .. | 92 " " ... | 6 <i>d.</i> |
| Germany | ... .. | 16 " " ... | 7 <i>d.</i> |
| Great Britain & Ireland. | | 17 " " ... | 11 <i>d.</i> |
| Greece | ... .. | 02 " " ... | 2 <i>d.</i> |
| Italy | ... .. | 46 " " ... | 3½ <i>d.</i> |
| Norway | ... .. | 04 " " ... | 4 <i>d.</i> |
| Russia | ... .. | 95 " " ... | 2 <i>d.</i> |
| Spain | ... .. | 1 " " ... | 1½ <i>d.</i> |
| Sweden | ... .. | 14 " " ... | 6½ <i>d.</i> |
| Switzerland | ... .. | 14 " " ... | 11 <i>d.</i> |
| United States | ... .. | 35 " " ... | 11 <i>d.</i> |
| Canada | ... .. | 21 " " ... | 10 <i>d.</i> |
| Australasia | ... .. | 13 " " ... | 8 <i>d.</i> |
| India | ... .. | 28 " " ... | 4 <i>d.</i> |

Except in England, the greater part of the cost of higher education, about three-fourths and in some cases even more, is met everywhere out of the funds of the State.

My Lord, even allowing for the difference in the purchasing power of money in this country and elsewhere, these figures tell a most melancholy tale and show how hopelessly behind every other civilized nation on the face of the earth we are in the matter of public education. It is sad to think that, after a hundred

years of British rule, things with us should be no better than this, and, unless the work is taken up with greater confidence and greater enthusiasm, there is small hope of any real improvement in the situation taking place. In other countries, national education is held to be one of the most solemn duties of the State, and no effort or money is spared to secure for the rising generations the best equipment possible for the business of life. Here it has so far been a more or less neglected branch of State duty, relegated to a subordinate position in the general scheme of State action. Now that an era of substantial surpluses has set in, Government will not find themselves debarred from taking up the work in right earnest by financial difficulties. In this connection, I respectfully desire to make one suggestion—*viz.*, that henceforth, whenever there is a surplus, it should be appropriated to the work of promoting the educational and industrial interests of the country. At present these surpluses go to reduce the amount of our debt, but, as the Hon'ble Sir Edward Law has pointed out in the Financial Statement, our burden of debt is by no means heavy, and there are valuable assets on the other side to cover the whole of it. Surpluses, after all, mean so much more taken from the people than is necessary for the purposes of the administration, and I think it is most unfair that these surplus revenues should be devoted to the reduction of a debt which is

not at all excessive, when questions concerning the deepest welfare of the community and requiring to be taken in hand without any delay are put aside on the ground of want of funds. We have seen that the surpluses during the last five years have amounted to over 22 crores of rupees. If this vast sum had been set apart for the promotion of our educational and industrial interests instead of being needlessly devoted to a reduction of debt, what splendid results the Government would have been able to shew in the course of a few years! My Lord, the question of expenditure lies really at the root of the whole educational problem. The country has recently been agitated over the recommendations of the Universities Commission appointed by Your Excellency's Government last year. I do not desire to say anything on the present occasion on the subject of University reform, but it strikes me that, if Government made its own institutions really model ones by bringing up their equipment to the highest standard and manning them only with the best men that can be procured both here and in England, the private colleges would necessarily find themselves driven to raise their own standard of equipment and efficiency. And if a number of post-graduate research scholarships were established by Government to encourage lifelong devotion to higher studies, the whole level of higher education in the country will be raised in a manner satisfactory to all.

I think it is absolutely necessary that men whom the Government appoints to chairs in its own Colleges should set to their students the example of single-minded devotion to learning, and should, moreover, by their tact and sympathy and inborn capacity to influence young men for good, leave on their minds an impression which will endure through life. Only such Englishmen as fulfil these conditions should be brought out, and I would even pay them higher salaries than at present if the latter are found to be insufficient to attract the very best men. They should further be not young men who have just taken their degree, but men of some years' educational standing, who have done good work in their subjects. My Lord, it is difficult to describe in adequate terms the mischief that is done to the best interests of the country and of British rule by the appointment of third or fourth rate Englishmen to chairs in Government colleges. These men are unable to command that respect from their students which they think to be due to their position, and then they make up for it by clothing themselves with race pride, which naturally irritates the young men under them. The result often is that young students leave college with a feeling of bitterness against Englishmen, and this feeling they carry with them into later life. On the other hand, the influence which a first class Englishman who knows how to combine sympathy with authority exercises upon his

pupils shapes their thoughts and feelings and aspirations throughout life, and they continue to look up to him for light and guidance even when their immediate connection with him has come to an end. My Lord, the question of technical instruction has often been discussed during the past few years in this country, and some time ago Your Excellency was pleased to ask if those who so often spoke about it had any definite proposals of their own to make. I do not, however, see how such a responsibility can be sought to be imposed upon our shoulders. Government have command of vast resources, and they can procure without difficulty the required expert advice on the subject. If a small Commission of competent Englishmen and Indians, who feel a genuine enthusiasm for technical education, were deputed to those countries where so much is being actually done by their Governments for the technical instruction of their people to study the question on the spot, in a year or two a workable scheme would be forthcoming, and with the large surpluses which the Hon'ble Finance Member is now able to announce year after year, a beginning could almost [at once be made, and actual experience would suggest the rest.

My Lord, there is one more question on which I beg leave to offer a few observations. The question of the wider employment of Indians in the higher branches of the Public Service of their own country is

one which is intimately bound up, not only with the cause of economic administration, but also with the political elevation of the people of India. There is no other country in the world where young men of ability and education find themselves so completely shut out from all hope of ever participating in the higher responsibilities of office. Everywhere else, the Army and the Navy offer careers to aspiring youths which draw forth from them the best efforts of which they are capable. These services, for us in this country, practically do not exist. The great Civil Service, which is entrusted with the task of general administration, is also very nearly a monopoly of Englishmen. But it is not of these that I propose to speak today. I recognise that, in the present position of India, our admission into these fields of high employment is bound to be very slow, and I can even understand the view that, for the purpose of maintaining British supremacy intact, there must be for many years to come a large preponderance of Englishmen in the ranks of these services. But, my Lord, our exclusion from high office does not end here. In all the Special Departments, or Minor Services, as they are called our position is even worse. In the Judicial and Executive branches of the public service, the subordinate ranks at any rate are manned by us. But in such departments as Forests, and Customs and Salt and Opium, our exclusion from even lower ranks is practically complete. Thus, in the Survey Department of the

Government of India, there are altogether 132 officers, with salaries ranging from 300 to 2,200 rupees a month, and of these only two are Indians and they are in the last grade of Rs. 300. There are, moreover, 45 officers in this Department whose salaries range between Rs. 160 to 300, and even among these, only ten are Indians. Again, take the Government Telegraph Department. There are 52 appointments in it, the salaries of which are Rs. 500 a month and more, and of these only one is an Indian. In the Indo-British Telegraph Branch, there are 13 officers with salaries above five hundred rupees a month, and among these there is not a single Indian. In the Mint Department, there are six officers with salaries above five hundred, and there too, there is not a single Indian. So too in the Post Office. Last year there was only one Indian in that Department among the ten men who drew salaries above five hundred. But he was a member of the Civil Service, and it was in this capacity that he was there. In the Geological Survey, 2 out of 14 officers, drawing salaries above Rs. 500, are Indians; in the Botanical Survey, none. In the Foreign Department, out of 122 such officers, only 3 are Indians; under Miscellaneous there are 22 such officers, but not a single Indian is among them. It is only in the Financial Department that there is any appreciable proportion of Indians, namely, 14 out of 59, among those whose salaries are above five hundred a month.

Turning to the Departments under Provincial Governments, and taking the Presidency of Bombay, we find that in the Forest Department there are 21 officers whose salaries and allowances come to Rs. 500 and above a month ; of these only one is an Indian. In the Salt Department, there are 13 places with salaries above four hundred a month, and not a single one among these is held by an Indian. In the Customs Department of Bombay, there are 13 officers who draw Rs. 300 a month and above, and of these only three are Indians. The Medical Department is, of course, practically a monopoly of Englishmen. In the Police Department, there are 49 officers classed as Superintendents and Assistant Superintendents with salaries from Rs. 200 upwards, and there is not a single Indian among them. Only among 11 Probationary Assistant Superintendents there are 4 Indians. In the Educational Department, there are 25 officers drawing salaries of Rs. 500 and above, and of these only 5 are Indians. In the Public Works Department the proportion of Indians is larger, there being 26 Indians classed as Executive Engineers and Assistant Engineers out of 81 Superior Officers of the Department. Turning next to Bengal, we find that in the Forest Department there are 26 officers whose salaries range between Rs. 200 and Rs. 1,200 a month, and among these only 2 are Indians and they are in the lowest grades. In the Salt Department there are

4 officers with salaries ranging from Rs. 300 to Rs. 1,000. There is no Indian among them. In the Customs Department there are 41 appointments, with salaries ranging from Rs. 260 to Rs. 2,250; not a single one among them is held by an Indian. In the Opium Department there are 87 officers with salaries coming down from Rs. 3,000 to so low a point as Rs. 140 a month; only 12 out of these are Indians. Two officers belong to the Stamps and Stationery Department and draw Rs. 1,120 and Rs. 500 a month; but neither of them is an Indian. In the Jail Department there are 1 Inspector-General, 12 Superintendents and 4 Deputy Superintendents. There is only one Indian among them, and he is in the rank of Deputy Superintendent. In the Educational Department there are 59 officers drawing Rs. 500 and above, and out of these only 10 are Indians. Lastly, in the Public Works Department, 84 officers draw a salary of Rs. 500 a month and above, of whom only 15 are Indians. The other provinces tell the same mournful tale, and I do not wish to trouble the Council with any more details in this matter.

Now, my Lord, I would respectfully ask if such virtual exclusion of the children of the soil from these Special Departments can be justified on any grounds. Reasons of political expediency may be urged for our exclusion from the Army. It might also be urged with some show of reason that the Civil Service of

India must continue to be recruited, as at present, by means of a competitive examination held in London, because that Service represents the traditions of British rule to the mass of the people, and its members must, therefore, be imbued with the English spirit and be familiar with English modes of thought : and that in theory at any rate Indians are free to compete for entrance into the service on the same terms as Englishmen. But why this shutting out of our people from the Special Departments also ? There is no question of political expediency involved here. If Indians are found to sit on High Court Benches with dignity to themselves and honour to their country, it cannot be contended that they would be found wanting, if they were entrusted with responsible duties in the Opium or Salt or Customs Department. If it be argued that for the technical instruction that is necessary in the Telegraph and some other Departments there are no adequate facilities in the country, the answer to that is that Government should provide those facilities to the people of this country. But the virtual monopoly of these Departments is so jealously guarded that where competitive examinations for entrance into them exist, those examinations have been surrounded with stringent restrictions such as are unknown in the case of the great Civil Service. Thus, while an Indian, by passing the Indian Civil Service Examination, might one day be

the Head of a District or of a Division as some Indians actually are at present, no Indian is allowed to compete for entrance into the Police Department at the competitive examination that is held in London, because, if he passed, he might one day be the head of the Police in a district. Again, only two years ago the rules for admission into the Engineering and Telegraph Departments from Cooper's Hill were altered with the express purpose of preventing more than two Indians in any particular year from entering those services. This alteration of the rules was a grievous wrong done to the people of India, and it has produced a feeling of bitter resentment throughout the country. In the Educational and Public Works Departments, our numbers are slightly more satisfactory than in the other departments, but even here the constitution of a Provincial Service, with a lower status and a lower scale of pay, has caused much dissatisfaction and discontent. My Lord, if all posts were equally open to Indians and Europeans, something may be said in favour of paying the Indian a smaller salary, if Government in the interests of economic administration preferred the Indian to the Englishman, when both were equally eligible; but to restrict the employment of Indians and at the same time to pay such of them as are employed a lower salary is to inflict upon them a double disadvantage, the reason for which it is not easy to understand. My Lord, the Universities turn out every year a large number of

young men who have received a fairly high education. It is a natural aspiration on the part of many of them to seek responsible employment in the service of their own country. If they find a bar in front of them, whichever way they turn, how can they be blamed, if they occasionally show signs of discontent? They belong to what may be called the articulate classes of this country, and what they say sinks slowly but steadily into the minds of the mass of the people. We have been promised equality of treatment, both in the Act of 1833 and the Proclamation of 1858. I for one am prepared to allow that such equality of treatment is under existing circumstances possible only within certain limitations; only I am anxious that there should be a constant movement in the right direction, and that, as year succeeds year, the sphere of employment should widen for my countrymen more and more. I ask this in the name of good policy as well as of justice, and I earnestly trust that the spirit of my remarks will not be misconceived.

My Lord, I must apologize to the Council for having spoken at such unconscionable length and strayed over a somewhat wide variety of topics. But this is the only day in the year when the non-official Members of the Council find an opportunity to place before Government their views, such as they may be, in regard to the more important questions connected with the administration of India. No one denies that the

difficulties of the position are great, and no one expects radical or far-reaching changes all in a day. What one regrets most, however, in the present system of administration is that it favours so largely a policy of mere drift. The actual work of administration is principally in the hands of members of the Civil Service, who, taken as a body, are able and conscientious men ; but none of them individually can command that prestige, which is so essential for inaugurating any large scheme of policy involving a departure from the established order of things. The administrators, on the other hand, who come out direct from England, command, no doubt, the necessary prestige, but their term of office being limited to five years, they have not the opportunity, even if they had the will, to deal in an effective and thorough-going manner with the deeper problems of the administration. The result is that there is an inveterate tendency to keep things merely going, as though every one said to himself ' This will last *my* time.' What the situation really demands is that a large and comprehensive scheme for the moral and material well-being of the people should be chalked out with patient care and foresight, and then it should be firmly and steadily adhered to, and the progress made examined almost from year to year. My Lord, speaking the other day at the Imperial Assemblage at Delhi, Your Lordship was pleased to observe : ' If we turn our gaze for a moment to the future, a great

development appears with little doubt to lie before this country. There is no Indian problem, be it of population or education or labour or subsistence, which it is not in the power of statesmanship to solve. The solution of many is even now proceeding before our eyes.

The India of the future will, under Providence, not be an India of diminishing plenty, of empty prospect, or of justifiable discontent; but one of expanding industry, of awakened faculties, of increasing prosperity, and of more widely distributed comfort and wealth. I have faith in the conscience and purpose of my own country, and I believe in the almost illimitable capacities of this. But under no other conditions can this future be realized than the unchallenged supremacy of the Paramount Power, and under no other controlling authority is this capable of being maintained than that of the British Crown. ' My Lord, the people of India have all along accepted with willing allegiance the condition so justly insisted upon by Your Lordship, namely, the unchallenged supremacy of the Paramount Power, and the faith expressed in the purpose and conscience of England is our main ground of hope for the future. Both sides stand to lose a great deal if their harmonious co-operation is ever disturbed, and working in a spirit of mutual understanding and appreciation, they may realize for this country an honoured position among the nations of the earth and for England the glory of having helped India to such a position.

BUDGET SPEECH, 1904.

[At a meeting of the Imperial Legislative Council held on Wednesday the 30th March 1904, His Excellency Lord Curzon presiding, the Hon. Mr. G. K. Gokhale spoke as follows on the Financial Statement for 1904-05, presented by the Hon. Sir Edward Law.]

Your Excellency, I join heartily in the congratulations which have been offered to my Hon'ble friend the Finance Member on the very interesting Financial Statement which he has presented to the Council this year. I think the Hon'ble Member has been the luckiest Minister that has ever held charge of the Financial portfolio in this country. Large surpluses have been the order of the day during his time. They, indeed, began before he took charge of his office. For the year that is about to close is the sixth year in succession when a large surplus has been realized. In the opening paragraphs of the new Financial Statement, the surplus for the closing year is shown at £2,711,200, *i.e.*, a little over four crores of rupees. But, as Mr. Baker points out in his note, the true surplus is about 6.72 crores and of this sum special grants, aggregating 2.65 crores, have been made to Provincial Governments. We thus have the extraordinary phenomenon of a year in which taxes bringing in a revenue of close upon two crores of rupees

90 THE IMPERIAL LEGISLATIVE COUNCIL.

were remitted, showing, in spite of the remission, a surplus of about $6\frac{3}{4}$ crores. Never before, my Lord, were such huge surpluses realized in the history of Indian finance, and the fact that they have shown themselves year after year for six years in succession proves conclusively that the level of taxation has been fixed much higher than the needs of public expenditure require or the circumstances of the country justify. The surpluses of the last six years have aggregated nearly 29 crores of rupees. If we take the twenty years immediately preceding this period of six years, we find that the total of surpluses in those years was only $17\frac{1}{2}$ crores and the total of deficits $19\frac{1}{2}$ crores—or a net deficit of two crores. A total surplus of 29 crores in six years as against a net deficit of two crores in twenty years—this illustrates with sufficient clearness the startling change that has taken place in the position of the country's finances. What has brought about this change? There have been no sudden accessions to the wealth of the people, nor has a policy of severe retrenchment been adopted, resulting in a reduction of public burdens. On the other hand, the earlier years of the period were marked by two of the severest famines that India has ever known, causing enormous losses to the people in crops and cattle, and necessitating a large outlay on the part of the Government for famine relief; and during the later years there has been a notable increase in public expenditure.

How then have these large and recurring surpluses been caused? The explanation, my Lord, is not far to seek. For twelve years, from 1885 onwards, the country passed, financially speaking, through a period of exceptional storm and stress, the falling rupee and the falling opium causing the Finance Minister the utmost anxiety and giving him practically no rest. And the level of taxation had to be continuously raised so as to maintain, even in the most adverse circumstances, a budgetary equilibrium between the revenue and the expenditure of the country. The lowest point reached by the rupee was 13*d.* The lowest level reached by the opium-revenue was about five crores of rupees. Since then the rupee has risen to 16*d.* and has firmly established itself there, owing to the currency legislation of Government, and a rise of 3*d.* means a saving of about five crores in the remittances necessary to cover the home charges. There has also been a remarkable recovery in the opium-revenue, the figure for the closing year being actually over 8½ crores. The rise in the rupee and the recovery in the opium-revenue have thus brought about an improvement of about eight crores a year in the financial position of the Government of India. From this we must deduct about two crores, being the amount remitted last year, under the salt-tax and the income-tax; and if we assume that the normal increases in the ordinary sources of revenue go to cover the normal increases in expenditure, we get,

on the present basis of taxation, an annual surplus of about six crores of rupees. It may, however, be urged that the improvement in the opium-revenue may not last and that it is not prudent to lower the level of taxation on the strength of the present improvement. Even allowing this to be so, we still have a large permanent excess of revenue over expenditure, and this excess fully justifies a prayer on the part of the people for further remission of taxation. The relief granted last year evoked a general feeling of gratitude throughout the country and nobody has forgotten it. Looking, however, to the prosperous condition of the national exchequer, we feel we are entitled to ask for a larger measure of relief. My Lord, in the twelve years of storm and stress to which I have referred, it was perhaps necessary for the Finance Minister to act on the safe, if somewhat over-cautious, plan of under-estimating the Revenue and over-estimating the expenditure. But though the difficulties of that position have passed away, the tradition, once established, still holds the field. And our budget estimates continue year after year to be so framed as to show the smallest possible surplus, when everyone, including, I believe, the Finance Member himself, fully expects that a large surplus will be realized at the end of the year. My Lord, an equilibrium between the ordinary revenue and the ordinary expenditure is of course a necessity in a solvent nation's finance. Under favour-

able conditions, even extraordinary charges might be met out of revenue. And further, to assure the position, a moderate surplus may be provided for. But anything beyond this is opposed to all the received canons of good finance. Nothing, to my mind, can be more indefensible than to raise from the people, year after year—as has been done for the last six years—a larger revenue than is fairly needed for the requirements of the country. As Major Baring (now Lord Cromer) put it in his Financial Statement for 1882-83 :—‘It is, of course, desirable to estimate for a moderate surplus. But to keep on taxes in order to secure too large a surplus is unjustifiable.’ The Hon’ble Member himself expressed a similar view in his Financial statement of last year. In announcing last year’s remission of taxation, he said :—‘In view of the present satisfactory situation, it is the opinion of the Government of India that it is neither desirable nor good financial policy to continue levying taxation at present rates, yielding such large recurring surpluses as have been realized during the last four years. It is true that our expenditure is necessarily increasing with the increasing development of the country, and some of our present sources of revenue do not show much sign of elasticity. But for the present our receipts are in excess of our needs, and even should it be necessary some years hence to seek the means of increasing revenue, we hold that we are not justified in continuing taxation

at its present level during an interval which we trust may be prolonged.' My Lord, in a country admittedly so poor as India, where, again, the people are just emerging from a series of calamitous years, it is essential that the weight of public burdens should be kept as light as possible. The existence of a large surplus is a direct invitation to the Government to increase expenditure, and further it constitutes a temptation to the authorities in England to try and shift a portion of their own burdens to the shoulders of the Indian Government. I cannot help wishing, therefore, that my Hon'ble friend had seen his way, in view of his large surplus, to recommending further relief to the taxpayers of this country. As the recurring surpluses have been made possible by the currency legislation of the Government, it is but fair that the class whose interests have been most adversely affected by that legislation—the bulk of our agricultural population—should receive the major portion of whatever relief is granted. My Lord, the fall in general prices as a result of the artificial appreciation of the rupee has, I think, already begun, however its operation may be hidden from view by other causes. The Hon'ble Member himself seems to recognize this, inasmuch as he warns us to be prepared for a decline of prices during the next few years. When the full effects of the currency legislation unfold themselves and the final adjustment of prices to the standard of the

new rupee takes place, it will be found that a grievous addition has been made to the burdens of the agricultural producer and that virtually his assessment has been enhanced by nearly fifty per cent. The delay that has occurred, owing to various circumstances, in such adjustment taking place, has enabled some people—including even persons in high authority—to make very astonishing claims for the new rupee. Thus we find that the late Secretary of State for India, at the time of presenting the last Indian Budget to Parliament, expressed himself as follows:—‘While the exchange value of the rupee has externally risen, and has without difficulty been maintained practically at the rate of 1s. 4d., prices have not been adversely affected. In fact the prices of commodities of general consumption have risen rather than fallen. By reducing the number of rupees to be remitted to this country to meet gold obligations, surplus after surplus has been secured during the past four years. And the present remission of taxation is mainly due to the success of our present currency policy.’ I do not wish to trouble the Council with any lengthy discussion on this point, but all I would like to ask is, if the Secretary of State for India really imagines that such an impossible feat as that of raising the exchange value of the rupee without involving an indirect increase in the taxation of the country can be performed, what is there to prevent the Government of

India from raising the rupee still higher—say, to 1s. 6d. or 1s. 9d. or even 2s.? The surpluses then would be even larger than now and as, according to Lord George Hamilton's argument, no harm is done to anybody in India by such artificial appreciation, there is no reason whatever why such a wonderfully easy and simple method of increasing the resources at the disposal of the Government should not be adopted. I think, however, that the Lords Commissioners of the Treasury showed a better appreciation of the true effects of any artificial appreciation of the rupee than the late Secretary of State for India, when, in a letter, dated 24th November 1879, they wrote:—‘It appears too that the Government of India, in making the present proposal, lay themselves open to the same criticisms as are made upon Governments which have depreciated their currencies. In general, the object of such Governments has been to diminish the amount they have to pay to their creditors. In the present case, the object of the Indian Government appears to be to increase the amount they have to receive from their taxpayers. If the present level of exchange be due to the depreciation of silver, the Government scheme, if it succeeds, may relieve the Indian Government and others, who desire to remit money to England, but this relief will be given at the expense of the Indian taxpayer or with the effect of increasing every debt or fixed payment in India, including debts

due by raiyats to money-lenders.' I submit, my Lord, that there should really be no difference of opinion on this point, and that the authors of the currency policy should freely admit that, whatever its counterbalancing advantages may be, that policy involves a most heavy indirect addition to the burdens, especially of the agricultural population, when its full effects manifest themselves. Of course we all recognize that a reversal of the currency policy, adopted more than ten years ago, is not now within the pale of practical politics. But that only imposes upon the Government the responsibility to take every opportunity that offers itself to grant such relief, as may be reasonably possible, to those to whom the State undoubtedly owes some reparation.

My Lord, I think that three particular forms of relief may be specially suggested for the consideration of Government on the present occasion. The first is the abolition of the excise-duty on cotton-goods; the second is a further reduction of eight annas in the salt-tax; and the third is a lowering of the land-revenue demand—especially in the North-West Provinces, Bombay and Madras. Of these the subject of excise-duty has been more than once discussed in this Council, and I do not wish to refer to it at any length to-day. I think there is now no doubt that this duty is really paid by the consumers, which means by the bulk of our poorer classes; and thus, while it hampers the

mill-industry to a considerable extent, it also constitutes a serious and perfectly unnecessary addition to the burdens of our poorer classes. The Hon'ble Member says that 'it is impossible to believe that the average enhanced cost to the individual consumer of cotton cloth on account of the excise exceeds $3\frac{1}{2}$ annas per annum.' But I submit that even $3\frac{1}{2}$ annas a year is a serious matter to those whose annual income—taking official calculations alone—does not exceed Rs. 72, as calculated by Sir David Barbour and Lord Cromer, or Rs. 30, as calculated by Your Excellency three years ago, and whose normal state is one of abject poverty and, in the case of a considerable proportion, even of chronic destitution. I think, my Lord, that the arguments in favour of the abolition of this duty are unanswerable and that the moral effect of its maintenance is even more disastrous than the financial or economic one. The Hon'ble Member has, however, urged a strange plea in his Financial Statement to justify the continued levy of so objectionable a duty, and I confess it has surprised me not a little. The Hon'ble Member says:—"Moreover, it must be remembered that a certain amount of revenue is a necessity to provide for the administration of the country and the cotton excise-dues now return upwards of $20\frac{1}{4}$ lakhs, having increased from Rs. 11,62,947 in 1900-01. It is very easy to object to any and every class of taxation, but those who make objections should, I think, offer sugg

as to how revenue could be maintained if their objections were to be admitted.' My Lord, if my Hon'ble friend really believes that the excise-duty is maintained because it brings in a revenue which the Government cannot afford to give up, he is probably the only man in India or in England who thinks so. Moreover, can the Hon'ble Member be serious when he advances such an argument with a surplus of nearly 6 $\frac{3}{4}$ crores in hand, reduced to four crores by special grants made to Provincial Governments? Why, my Lord, instead of the Government being unable to sacrifice 20 lakhs a year, there seems to be such a plethora of money in the country's exchequer that the Government do not know what to do with it! I could have understood Sir Auckland Colvin or Sir David Barbour or Sir James Westland using the language that my Hon'ble friend has used. But he, the fortunate realizer of surplus after surplus—such as were never before dreamt of in the history of Indian finance—surely he must not speak as though he knew not which way to turn to make the two ends meet!

My second suggestion for granting further relief to the poorer classes of the country is that another eight annas should be taken off the salt-duty. This duty was reduced by eight annas last year, and the measure of relief was received with deep gratitude throughout the country. The reduction might however, be carried still further without any inconvenience. The

salt-duty question in India is essentially a poor man's question ; for it is the poorer many—and not the richer few—who eat more salt when it is cheap and less when it is dear. The soundest and best policy in the matter—even financially—would, therefore, seem to be to raise an expanding revenue on an expanding consumption under a diminishing scale of duties. Again, every reduction effected in this duty gives the Government a valuable financial reserve, which may be used without difficulty in times of sudden emergency. A further reduction of the salt-duty is, therefore, from every point of view a most desirable form of relief. In this connection, there is one matter which I would respectfully urge upon the attention of Government. The manufacture of salt in India is strictly under Government control, and practically a Government monopoly. And the monopoly is enforced under restrictions and in a manner which have the effect of transferring about a third of the industry to the foreign manufacturer. Numerous small salt-works which formerly existed on the coast have been suppressed and the manufacture has been concentrated at a few places with a view to bringing it under effective control. The result is restricted production. We have an extensive seaboard and salt-mines too, and can manufacture every pound of salt we need. And yet, under the existing fiscal system, about a third of our supply comes from foreign countries. The following figures, taken from

the Material and Moral Progress Report for 1901-02, are instructive :—

| Imports of salt from | 1891-92. | 1901-02. |
|-----------------------------------|----------|----------|
| | Tons. | Tons. |
| The United Kingdom ... | 222,300 | 259,200 |
| Germany ... | 103,400 | 76,700 |
| Red Sea and Persian Gulf Ports... | 45,700 | 147,700 |
| Other places ... | 2,600 | 32,600 |
| TOTAL ... | 374,000 | 516,200 |

The imports have thus increased 38 per cent. in ten years ! I submit that in respect of such a prime necessary of life as salt—especially when we have plenty of it within the four corners of this country—we ought not to be forced to depend on foreign supplies to a steadily-increasing extent !

The third measure of relief which I would respectfully urge upon the attention of Government is a lowering of the land-revenue demand, especially in the North-West Provinces, Bombay, and Madras. The most noticeable feature of this branch of revenue is its large and almost continuous increase. In 1890-91 it stood at 24·04 crores. Its rise since then may be seen from the following figures :—

102 THE IMPERIAL LEGISLATIVE COUNCIL.

| | | | | |
|----------------------|-----|-----|--------|---------|
| 1890-91 | ... | ... | 24.04 | crores. |
| 1893-94 | ... | ... | 25.58 | .. |
| 1895-96 | ... | ... | 26.20 | .. |
| 1898-99 | ... | ... | 27.46 | .. |
| 1901-02 | ... | ... | 27.432 | .. |
| 1903-04 (Revised)... | ... | ... | 28.89 | .. |
| 1904-05 (Budget) ... | ... | ... | 29.38 | .. |

An increase of over 22 per cent. in fourteen years!
On the other hand, the figures of cropped acreage are:

| | | | | |
|---------|-----|-----|--------|--------------------|
| 1890-91 | ... | ... | 194.41 | millions of acres. |
| 1893-94 | ... | ... | 197.38 | " " |
| 1895-96 | ... | ... | 188.92 | " " |
| 1898-99 | ... | ... | 196.48 | " " |
| 1900-01 | ... | ... | 198.31 | " " |

Or an increase of just 2 per cent. in eleven years!
Coming to the three Provinces that I have specially mentioned, we have the following interesting figures:—

North-Western Provinces.

| Year. | Ordinary land-revenue. | Cropped area. |
|-------------|------------------------|----------------------|
| 1886-87 ... | 580.7 lakhs. | 33.92 million acres. |
| 1902-03 ... | 636 " | 34.61 " " |

Or an increase of nearly 10 per cent. in revenue on a practically stationary cropped acreage.

Madras.

| Year. | Land-revenue. | Cropped area. |
|-------------|---------------|----------------------|
| 1886-87 ... | 460.5 lakhs. | 23.01 million acres. |
| 1902-03 ... | 582.5 " | 24.50 " " |

Or an increase of nearly 25 per cent., in revenue with an increase of only $6\frac{1}{2}$ per cent. in the cropped acreage.

Bombay.

| Year. | Land-revenue. | Cropped area. |
|---------------|---------------|----------------|
| 1886-87... .. | 270 lakhs. | 24·2 millions. |
| 1894-95... .. | 289 " | 24·5 " |
| 1900-01... .. | 298·2 " | 21 " |

Or an increase of 13 per cent. in revenue with hardly any increase in the cropped area, which shows some fluctuations owing to the prevalence of famine during the closing years of the last century.

My Lord, agriculture is the only surviving economic stand-by of the mass of the people, and yet no industry in the country is in deeper distress. The soil, under a system of generally unmanured cultivation, is undergoing steady exhaustion. The yield of crop per acre is falling—being now little more than 9 or 10 bushels as against 20 to 35 bushels in western countries with far less favourable agricultural conditions. And the raiyat in most parts is a poor, struggling cultivator, with his resources all but exhausted, and himself more or less involved in debt. In these circumstances, the increases of land-revenue—especially in the Provinces referred to above—are large, and weigh with undue pressure on the land. And I submit that the question of granting relief to the hard-pressed cultivators by the lowering of the assessment is one which, in the present prosperous condition of the country's ex-

chequer, deserves favourable consideration at the hands of Government. While on this subject I beg to acknowledge with pleasure and gratitude the liberal action of the Bombay Government in granting considerable reductions of assessment in the Guzerat districts. These reductions amount to 5·30 lakhs on an aggregate assessment of 85 lakhs—or over 6 per cent. Strangely enough, however, the Government have declined to concede any such relief to the Dekkhan raiyats, and yet the case of the Dekkhan is the most urgent. The Dekkhan is an arid upland with a poor soil and a precarious rainfall, and yet pays an aggregate assessment of 120 lakhs on a cropped acreage of 11 millions of acres. The MacDonnell Commission have expressed the opinion that it is not only a full assessment, but weighs harder on the Dekkhan peasantry than elsewhere on account of scanty crop-yield, and is one of the causes of agricultural indebtedness. Besides, during the calamitous decade ending with 1901, this tract suffered as no other did throughout the country. The population declined from 62·1 lakhs to 59·4 lakhs; the cropped area fell off, and the crop-losses amounted to over 50 crores of rupees. The cattle loss was over 42 per cent. and there was an alarming increase of agricultural debts. Altogether there was in these districts a degree of agricultural deterioration and economic exhaustion such as had not been witnessed in any part of the country during the last century. And

yet so far the only reductions which the Bombay Government have announced amount to a trifle over Rs. 3,000!

My Lord, in explaining an increase of half a million sterling under excise-revenue in the revised estimates for the closing year, the Hon'ble Member says :— 'Increase of revenue is undoubtedly in great measure due to improved administration and greater attention to improvement in the condition of the people,' which is the Hon'ble Member's paraphrase of the expression 'increased consumption.' And he proceeds to observe :— 'Satisfactory as this is from one point of view—a growth of revenue, we could not regard with satisfaction any increase which might possibly be attributed to increased consumption of alcohol in excess of the legitimate requirements of those classes among the population to whom, from long habit and custom, alcohol in moderation is a virtual necessity. There is no desire on the part of the Government of India to increase revenue by encouraging indulgence in alcohol. It is a matter in which we feel our full responsibility, which undoubtedly requires constant, careful watching, and to which at the present moment we are devoting special attention in the interests of temperance and morality.' This declaration of the Hon'ble Member will be welcomed with sincere satisfaction throughout the country. The revenue under Excise shows an alarming growth during the last twenty years, having risen from 3'63

manufacture of spirits—these are some of the features of the existing administration which require close and careful investigation. The whole subject calls for a fresh examination and it behoves Government to institute a searching inquiry. Education would be an effective remedy, but its operation is bound to be slow. I think legislative effect should be given to the direction as to local option.

My Lord, among the important topics of a general character, on which this year's Financial Statement offers some interesting observations, is the subject of India's balance of trade. The Hon'ble Member states at the outset that he has been much surprised to learn that 'there are considerable misapprehensions abroad on the question of the balance of trade.' And, after examining certain figures for the three years from 1900-01 to 1902-03, the Hon'ble Member records his conclusion that the figures 'entirely dispose of the erroneous assumption that India is paying far more than she receives under the three heads of imported goods, imported investment securities, and payment abroad of budgeted Government sterling charges.' His argument is briefly this: during the three years under consideration, the excess value of exports over imports was £47·58 millions sterling. From this total must be deducted £1·45 millions, being the value of rupee paper transferred to India during the period; while we

must add to it a sum of £2·14 millions, representing the value of stores, arms, munitions and animals, supplied to the Home Government in connection with their requirements in South Africa and China. This gives us a net excess of exports in three years of £48·27 millions. Now, says the Hon'ble Member, this is practically the amount of the Secretary of State's drawings during the three years. And thus the excess of the country's exports over its imports is no more than the amount of the Home charges, which means that the Home charges really represent *all* that India pays annually over and above what she has to pay in return for her imports. My Lord, I confess I was startled to read this paragraph, and I asked myself 'If the Hon'ble Member is right, what becomes of the profits which English merchants annually earn in India; what becomes of the freight the English Companies earn; what becomes of the savings of English lawyers, English doctors, English civil and military servants of the Crown? Does nothing really go out of India for all these?' And then I examined the Hon'ble Member's figures somewhat closely, when I found that he had left out of account two most important items. The excess of exports over imports that he gives is the excess of all our exports over all our imports, including merchandise and treasure and stores, both Government and private. The imports thus include (1) the capital raised annually in England and spent on Indian railways and irri-

gation works, for which there is no corresponding export, and (2) the Government stores for which provision is made in the Secretary of State's disbursements for current purposes; these stores are worth about $1\frac{1}{2}$ to 2 crores a year, and they represent a value received by India for a corresponding portion of the Home charges, and they are thus different from the rest of the Home charges. Our real imports, therefore, *i.e.*, those which we receive in exchange for our exports, are less than our nominal or total imports by the amount of the capital which is raised by the State and by Companies in England every year and spent on Indian railways and irrigation works. And secondly, the net loss to the country under Home charges is represented, not by the whole of the Secretary of State's drawings, but by a sum which is equal to those drawings *minus* the value of the stores for which provision is made in his current disbursements. The amount raised in England during the three years under consideration and spent on public works in India was, I believe, about 16 millions sterling. This figure must, therefore, be deducted from our total imports to get at the imports which we received in exchange for our exports. We thus have during the three years an excess of 64 millions and not 48 millions of our exports over our real imports. As against this we have to set, not the whole of the Secretary of State's budgeted drawings, which have

been stated to be 49 millions sterling, but these drawings *minus* the value of the stores included in them, which was over three millions. We thus see that while the Secretary of State's drawings for his own purposes would have been satisfied by an excess of about 46 millions sterling of our exports over imports, the actual excess was about 64 millions sterling or about 18 millions more in three years. I think, therefore, that we may well assume that this sum of 18 millions represents the amount which India paid more than she received during the three years under the three heads of 'imported goods, imported investment securities, and payment abroad of budgeted Government sterling charges.' Moreover, this figure does not take into account the capital imported into India by private individuals or Companies for minor industrial undertakings.

My Lord, a most striking feature of this year's budget is the great increase that has taken place in the military expenditure of the country. The Finance Member himself is almost outspoken in the expression of his regret on the subject. The Budget Estimate for 1904-05 exceeds all previous record—the charge budgeted for coming to no less than 28·6 crores. The following figures show how steady and continuous has been the rise in our military expenditure during the last twenty years :—

112 THE IMPERIAL LEGISLATIVE COUNCIL.

| Year. | Military expenditure in crores of rupees. | | |
|-------------------|--|-----|-------|
| 1884-85 | ... | ... | 16'96 |
| 1887-88 | ... | ... | 20'41 |
| 1890-91 | ... | ... | 20'69 |
| 1894-95 | ... | ... | 24'09 |
| 1902-03 | ... | ... | 25'91 |
| 1903-04 (Revised) | ... | ... | 26'78 |
| 1904-05 (Budget) | ... | ... | 28'66 |

or an increase of nearly 70 per cent. in twenty years as against an increase of about 44 per cent.—from 51 crores to 73 crores—in the receipts under the principal heads of revenue. The Hon'ble Sir Edmond Elles gives in his statement what he will forgive me for calling a curious table, compiled to show that, whatever may be the actual figure of military expenditure, it is not only not rising relatively to the total revenue of the country, but that as a matter of fact there is a notable decline in the percentage of revenue spent on the army. The Hon'ble Member takes two periods of four years each, one from 1896-97 to 1899-1900 and the other from 1900-01 to 1903-04 and he seeks to prove that, while during the former period the net military expenditure of the country was 24·7 per cent. of the total revenue, during the latter period it has been only 21 per cent. The Hon'ble Member's method of instituting comparisons is, however, open to most serious objection. His first period is a period of

famines and frontier wars, so that while the revenue during that time is not at its normal level, the military expenditure is at an abnormally high level, and thus he gets a higher percentage for purposes of his comparison. The second period, on the other hand, is a period during which the revenue is above the normal owing to specially good seasons, and the military expenditure is below the normal owing to a part of the troops being engaged in South Africa and China. Now this is bad enough, but worse than this is the fact that while he takes on the one hand only net military expenditure, he takes on the other the gross revenue of the country. Now, as we all know, the figures of gross revenue are altogether useless for purposes of a fair comparison; for they include large receipts under commercial services—*i.e.*, railways, irrigation works, post and telegraph—which are balanced by corresponding entries on the expenditure side and which, therefore, only go to swell the total figures of gross revenue without making any real addition to the resources available for administrative purposes. Moreover, railway receipts have been of late years going up by leaps and bounds. Of course the entries under railways on the other side have also been correspondingly increasing, but if you take into consideration only the figures of gross revenue, you get an altogether erroneous idea of the growth of the real revenue of the country. For purposes of a useful comparison, therefore, the only

proper method is to take the figures either of net revenue or of the total receipts under what are known as the principal heads of revenue. Taking the latter set of figures, which are more favourable to the Hon'ble Member's point of view than the former, we find that the net military expenditure is about 36 per cent. of the revenue under the principal heads, and that this percentage has practically continued steady at that figure except during the years when the Indian exchequer secured some relief by lending a portion of the Indian troops for service in South Africa and China. The question of these percentages however is, comparatively speaking, of less importance than the question whether there is ever to be a limit to the growth of these military burdens. My Lord, the question of military expenditure is really one of policy, and in the shaping of that policy the people of this country have no voice. But may we not ask, as I asked in my budget speech of last year, that the Government should adopt a policy of a little more trust in this matter! For, while things continue as they are—with our Army maintained on a war-footing in times of peace, with no national militia of any kind and the people of the country altogether shut out from the privilege of citizen soldiery—there is no prospect that the heavy sacrifices demanded at present of the country will ever grow less heavy. My Lord, His Excellency the Commander-in-Chief addressed the other day a powerful

appeal to Englishmen in India to come forward and enrol themselves as volunteers from a sense of public duty. May not the Government consider the desirability of permitting—aye, inviting—carefully selected classes from among the children of the soil to share in the responsibilities of national defence? Both sentimental and financial considerations demand the adoption of a policy of this kind; and, unless this is done, the growing military expenditure of the country will in course of time absorb all available resources and cast its blighting shadow over the whole field of Indian administration.

My Lord, these were some of the observations that suggested themselves to me when I read the Financial Statement which my Hon'ble friend has presented to the Council this year. I have said nothing to-day about some of the more important branches of civil expenditure, because we seem to be on the eve of great changes which will affect and practically reconstruct the entire basis of the civil expenditure of the country. An administration, in many respects the most strenuous, as it undoubtedly has been the most eventful, of any that the country has known for many years past has formulated these changes after a prolonged inquiry, and the country is waiting to see how they work in practice when they are introduced. The advance that has been made this year in the matter of Provincial finance, the undertaking of a comprehensive programme of irrigation

works that is expected as a result of the Irrigation Commission's labours, an improved Police Service, increased expenditure on education in all its branches, the institution of State scholarships for industrial education abroad, the establishment of an Agricultural College at Pusa, the encouragement of Co-operative Credit Societies—these and other measures will require a large outlay of public money, if they are not to disappoint the expectations that have been formed of them in the public mind. It will be some time before we are in a position to watch the actual operation of these measures and to see how far the increased expenditure necessitated by them has been justified. Meanwhile my own frame of mind in regard to them is, I confess, one of great hope. I feel that, if they are carried out in the spirit in which they ought to be carried out, they will prove a source of no small benefit to the country. If this hope is realized, the increase in public expenditure, which these measures must involve, will not only not be grudged, but will be regarded with feelings of sincere satisfaction and gratitude all over the country.

BUDGET SPEECH, 1905.

At a meeting of the Imperial Legislative Council, held on Wednesday the 29th March 1905, His Excellency Lord Curzon presiding, the Hon'ble Mr. G. K. Gokhale made the following speech on the Financial Statement for 1905-06 presented by the Hon. Mr. E. N. Baker.

My Lord, it is with sincere pleasure that I offer my warm congratulations to the Hon'ble Mr. Baker on the Financial Statement, which he has laid before the Council. The Statement is remarkable alike for its grasp of principle and its mastery of detail, and for lucidity of exposition it will take rank with the best statements that have ever been presented to this Council. Indian finance is at present passing through a new phase, and judging from the statement before us, we may well anticipate the Hon'ble Member's tenure of office as Finance Minister will be an eventful one. My Lord, there is but one feeling throughout the country—and it is a feeling of deep and unalloyed satisfaction—as to the manner in which the Government of India have decided to apply about 3½ crores of the excess of their revenue over expenditure to measures of remission of taxation, administrative improvement, and the general well-being of the people. I heartily welcome the further reduction of the salt-duty by eight annas a maund. The duty now stands,

as the Hon'ble Member rightly claims, at a lower rate than it has ever done during the last quarter of a century. In urging this measure of relief last year, I had ventured to observe:—The salt-duty was reduced by eight annas last year, and the measure of relief was received with deep gratitude throughout the country. The reduction might, however, be carried still further without any inconvenience. The salt-duty question in India is essentially a poor man's question; for it is the poorer many—and not the richer few—who eat more salt when it is cheap, and less when it is dear. The soundest policy in the matter—even financially—would, therefore, seem to be to raise an expanding revenue on an expanding consumption under a diminishing scale of duties.' The only reply, which was then vouchsafed to my appeal by our late Finance Minister, Sir Edward Law, was the remark that I was 'one of the multitude who stand at the door of the Treasury and always cry "give, give!"' I rejoice, therefore, to find that in less than a year the Government have seen their way to effect this reduction, and I am confident that a rapid increase in consumption will follow, wiping out, before long, the loss that has been caused to the Exchequer and demonstrating at the same time the wisdom of the course adopted by Government. Two years ago, when the duty was lowered from Rs. 2-8 to Rs. 2 a maund, fears were expressed in certain quarters that

the benefit of the reduction might not, after all, reach the poorer classes, being intercepted on the way by small traders. Many of us thought at the time that the fears were quite groundless, and I am glad to see that they have been most effectively disposed of by the remarkable increase in consumption that has since taken place. That there is still a very large margin for increased consumption is evidenced by the fact that in Burma, where the duty is only one rupee a maund, the average consumption of salt is 17 lbs. per head, as against about 10 lbs. in India proper, where the duty has been Rs. 2 a maund for the last two years and Rs. 2-8 before that. Even with the present reduction, the impost amounts to about 1600 per cent. of the cost price, as it takes only about an anna and a half to manufacture a maund of salt, and it is clear that this is a very heavy tax on a prime necessary of life, which, as Professor Fawcett once said, should really be 'as free as the air we breathe and the water we drink.' And I earnestly trust that the Government will take another opportunity to carry this relief still further, especially as a low salt-duty means a valuable financial reserve at the disposal of Government, and there is now no doubt that the relief accorded directly benefits the poorest classes of the community. The abolition of famine cesses will be hailed with satisfaction by the people of the provinces concerned, and it redresses one of the anomalies of the Famine Insurance Grant. The

raising of the weight which the Post Office carries for half an anna from one-half to three-fourths of a tola will be widely appreciated, and the definite declaration of policy, with which this concession is accompanied, *viz.*, that it is not the desire of Government to treat the Post Office as a source of revenue, practically ensures that all excess of receipts over expenditure will in future be devoted to the further improvement or cheapening of postal facilities. Now that the letter-weight carried for half an anna is exactly half of what is carried for one anna, I hope a half-anna stamp will be made the unit for weights exceeding $1\frac{1}{2}$ tolas instead of the one-anna stamp. The allotment of a sum of 50 lakhs to Police reform to improve and strengthen the lower grades of the service is a welcome measure of far-reaching importance and is unaffected by whatever differences of opinion there might exist about the recruitment of the higher grades. The addition of a rupee to a constable's salary may not make in individual cases any difference as regards his honesty or efficiency, but taken in the mass, the increment is bound to be reflected in an improved standard of work, and in any case the measure is a long-deferred beginning of an absolutely necessary reform. The grant of 35 lakhs to Provincial Governments for additional expenditure on Primary Education is also an important step in the right direction, the field of mass education being one in which

what has been already done is but little, as has been admitted by the Government of India in their Resolution of last year on the subject, compared with what remains to be done. The grant of 20 lakhs for agricultural research, experiment and instruction, and the announcement that the ultimate aim of Government in this matter is 'the establishment of an experimental farm in each large tract of country, of which the agricultural conditions are approximately homogeneous, to be supplemented by numerous demonstration farms, the creation of an agricultural college teaching up to a three years' course in each of the larger provinces and the provision of an expert staff in connection with these colleges for purposes of research as well as education,' indicate that the Government at last have made up their mind to recognize in a practical manner the supreme importance of scientific agriculture in this land. Twenty lakhs a year for such a purpose for the whole of India is of course totally inadequate, but it is a good beginning, and the Government have undertaken to find steadily increasing funds till the whole programme is properly carried out. The last measure, to which a part of the surplus is proposed to be devoted, is a grant-in-aid of the funds of District and Local Boards throughout India, amounting in all to about 56½ lakhs a year and equal approximately to one-fourth of the income of these Boards. This, to my mind, is one of the most interesting features of this year's

Budget, and it is a feature on which I offer my heartiest congratulations to the Hon'ble Member. It means a frank acknowledgment of the claim of Local Bodies to participate in the financial prosperity of the Government of India and a recognition of the fact that without the aid of Government the resources of these bodies are utterly unequal to the proper discharge of the various duties laid on them. The last National Congress, which met in Bombay, had urged such assistance to Municipal and Local Boards, and I rejoice to find that Government have responded, at least partially, to the appeal. Successive visitations of famine and plague have in many places so far crippled the finances of these Boards that they have had the greatest difficulty in averting a complete breakdown, and it was a serious reproach to existing arrangements that, while there was such a plethora of money in the Government of India's Treasury, and even Provincial Governments were not able to exhaust all the grants made to them, these Local Bodies, whose work concerns the health and comfort of the public far more intimately than that of either the Supreme or the Provincial Governments, should continue year after year in a state almost verging on bankruptcy and should be unable to discharge satisfactorily even their most elementary duties! Government have now come forward to assist in a liberal spirit the District and Local Boards and the assistance will evoke the sincere grati-

tude of these Boards. Municipal Bodies have for the present been left out in the cold, but the principle of admitting Local Bodies to a share in the financial prosperity of Government having once been accepted, I venture to think that assistance, similar to what has now been offered to District and Local Boards, cannot reasonably be withheld from Municipalities, whose difficulties are not less serious and whose duties are even more onerous than those of the Boards.

My Lord, the revised estimates for the current year shew a surplus of $5\frac{1}{4}$ crores. This surplus has been obtained after making a special grant of one crore to the Governments of Bombay and the Punjab. So the real surplus for 1904-05 must be set down at $6\frac{1}{4}$ crores. This is the seventh successive year, in which such a large surplus has been realized by the Government of India, and though advantage has been taken of it to remit taxation to the extent of about two crores of rupees and to apply about $1\frac{3}{4}$ crores to most excellent objects, the whole financial position is still so extraordinary that it calls for a brief review. The surpluses realized by the Government of India during the last seven years amount in all to about $32\frac{1}{2}$ crores of rupees, and they don't include the special grants made to the various Provincial Governments and Administrations from time to time. In addition to this, a sum of about $12\frac{1}{2}$ crores has been earned by the Government of India during the last five years, as

profit on the coinage of rupees, owing to the difference between the bullion value of silver and the token value of the rupee, and it has been set apart to form a Gold Reserve Fund. This gives us a clear excess of 42 crores of revenue over expenditure during the least seven years. Moreover, during this period, extraordinary charges, amounting to about 16 crores, for famine relief and for military purposes, have been met out of revenue. Further, about 2 crores have been spent out of revenue on Railways and Irrigation Works under Famine Insurance, under which head also a sum of $3\frac{3}{4}$ crores has been devoted to the reduction or avoidance of debt. Even if we leave out of account the extraordinary charges met out of revenue and the sum spent on Railways and Irrigation under Famine Insurance, as money already spent, we still have a total of about 49 crores of rupees to represent the excess amount taken by Government from the people in seven years over and above the requirements of the administration. Twelve and a half crores out of this has been set aside, as has been already mentioned, to form a Gold Reserve Fund, and the remaining, about $36\frac{1}{2}$ crores, has been devoted to the repayment or avoidance of debt, as may be seen from the fact that during this period Government have discharged £5,000,000 net of temporary debt, and have spent $48\frac{1}{2}$ millions on Railways and Irrigation Works, though they have borrowed only $21\frac{1}{4}$ millions, the difference being found from Cash Balances, of which

the surpluses form a part. Moreover, as an inevitable result of such plethora of money at the disposal of Government, public expenditure has increased in all directions—and notably under Army services—on an unprecedented scale. The following figures for the last four years show at a glance how rapid has been the growth of public burdens and what is the position that has now been reached. In these figures, I have taken the revenue under Post, Telegraphs, Railways and Irrigation net. This, I submit, is the only way of presenting a correct idea of our revenue and expenditure, as the receipts under these heads are for services rendered and are balanced on the other side by corresponding expenses which virtually absorb the receipts. Unless, therefore, we take these figures net, we get an altogether erroneous idea of our real revenue and expenditure. I have also taken the revenue under Mint net because, for the present, at all events, the profit earned has to go to the Gold Reserve Fund and is therefore not available for general purposes.

"Revenue and Expenditure for four years 1901-02—1904-05.

(In millions sterling.)

| | 1901-02. | 1902-03. | 1903-04. | 1904-05 (Revised). |
|-----------------|----------|----------|----------|-----------------------|
| Revenue ... | 51·91 | 52·27 | 55·27 | 57·59 |
| Expenditure ... | 46·96 | 49·21 | 52·28 | 54·11 |
| Surplus ... | 4·95 | 3·06 | 2·99 | 3·48 |

Coming to particular heads of expenditure, we find that the charge under Interest has actually gone down

126 THE IMPERIAL LEGISLATIVE COUNCIL.

owing to a reduction of the ordinary debt. And the expenditure under Miscellaneous Civil charges, as also under Famine Relief and Insurance, has remained virtually stationary. Under the remaining heads, there has been a large and steady increase, as may be seen from the following figures:—

(In millions sterling.)

1901-02. 1902-03. 1903-04. 1904-05. Increase.

(Revised).

| | | | | | |
|--|-------|-------|-------|-------|-------------------|
| Collection charges under Principal Heads of Revenue. | 6.19 | 6.35 | 7.16 | 7.17 | nearly 1 million. |
| Salaries and expenses of Civil Departments. | 11.15 | 11.69 | 11.98 | 12.35 | 1. 2 " |
| Civil Works. | 3.67 | 4.15 | 4.60 | 4.82 | 1.15 " |
| Army Services, including Military Works & Special Defence Works. | 16.73 | 18.44 | 18.93 | 21.45 | 4.72 " |

I have taken 1901-02 as starting year for the comparison, because 1900-01 was a famine year, and before that, Government could not have felt sure of a large annual surplus. It will be seen that our expenditure has grown in four years by more than 7 millions sterling or about $10\frac{3}{4}$ crores, and of this the Army Services have absorbed quite two-thirds, i.e., $4\frac{3}{4}$ millions or over 7 crores. Again, while the revenue under the principal heads has risen during this period from £46.60 millions to £50.38 millions or slightly over 8 per cent., the charges of collecting it have

grown from £6·19 millions to £7·17 millions or by about 16 per cent.

Thus after allowing the expenditure to increase in all directions on an unprecedented scale, after making large special grants to Provincial Governments from time to time, after spending nearly 16 crores out of current revenues for non-recurring charges, and after laying by about $12\frac{1}{2}$ crores for purposes of the Gold Reserve Fund, the Government have still been able to devote a sum of about $36\frac{1}{2}$ crores in seven years, or a little over 5 crores a year on an average, to the reduction or avoidance of debt! I submit, my Lord, that such a system of finance is unsound in theory and indefensible in practice, for it involves grievous injustice to the present generation. I can understand the Government always insisting on a moderate working surplus in framing their Budget Estimates and providing for the year's recurring charge, out of the year's revenues. This was what they have uniformly done—even during the worst days of the exchange difficulty. But having done that, I venture to think they have no right to maintain taxation at a higher level than is necessary or to devote the resulting surpluses to the reduction of debt, as they have been doing. In all countries, it is an accepted canon of finance that the weight of public burdens should be kept as light as possible, and that the scheme of taxation should be so fixed and adjusted as to meet, but no more

than meet, public requirements under normal conditions. If this is so in rich European countries, it should be much more so in India, where the revenue is raised from a poor, helpless population, and the larger part is contributed by a broken and exhausted peasantry, and where, owing to the special circumstances of the case, the character of public expenditure is such that a great portion of it has to be spent on objects unconnected or but remotely connected with the moral and material advancement of the people. Moreover, the ordinary debt of India—as distinct from the public works debt, which is fully covered by valuable assets—is not large, and there is no justification for being in such a hurry to reduce it. The utmost that the Government might do in the matter is to provide for a small sinking fund, say, about a million sterling a year; but beyond this, it is indefensible to go, especially as, in the absence of a reduction of taxation, there are so many ways, all intimately connected with the well-being of the people, in which the surplus revenue could be spent.

This brings me to the scheme of Army re-organization and the provision of 3 crores 66 lakhs that has been made for it in the next year's Budget. The scheme is one of vast magnitude, and it is claimed that it will be of lasting benefit. No lay criticism of its technical aspects can, of course, be of any value, though even laymen cannot help noting that expert opinion is not quite unanimous in regard to it. Thus

we find Colonel St. J. M. Fancourt, C.B., writing to the *Madras Mail* to urge that enlarged camps of exercise will serve the purpose as well as the proposed concentration camps and will be much less costly and will offer fewer administrative difficulties; that the training under the climatic conditions of the country, especially the summer heat, cannot be carried on the whole year round, which reduces the value of a permanent location of troops in large concentration camps, and that for the annual seasons of drill, troops can be moved and massed wherever desirable, the expanding Railway system affording increasing facilities for such movements. Laymen also cannot help thinking that in the very nature of things, there can be no finality in such plans of distribution of armed forces. The period is a period of mighty changes and the world's affairs are passing through a new phase. The rise of Japan as one of the first Powers in the world is a new factor in international politics and of vast significance. New and unexpected combinations may arise, and the danger-zones and danger-points may not remain as they at present are—for ever and ever. However, the towering personality of His Excellency the Commander-in-Chief must silence all objections to the scheme of which he is the author, and the required money—15 crores of rupees—has to be found to carry it out. The Government have announced their intention to meet the whole charge from current revenues, and they have

already provided in the next year's Budget a sum of 3 crores 66 lakhs for the purpose as a first instalment, committing themselves at the same time to devote similarly 3 crores every year till the whole programme is completed. My Lord, I beg leave to protest most earnestly against this decision of the Government of India. The charge is heavy and non-recurrent and, on the analogy of English and Continental practice in similar cases, ought to be met out of loan funds. It is most unjust to the tax-payers to provide for it out of current revenues by yearly allotments and thus keep up the high level of taxation for an indefinite period. In other countries such charges are, as a rule, met out of borrowed money. In England, just at this moment, there are the Naval and Military Works Bills before the House of Commons, under which it is proposed to carry out these works out of loans. And in defending such action, the Chancellor of the Exchequer pointed out the other day—on the 1st instant—that, 'if the objects for which those measures provided were paid out of the estimates, there would be a disturbance of our system of taxation.' My Lord, it is true that the people of India have no constitutional power, as the people in England have, to control or in other ways influence the administration of their finances by Government. But for that very reason, a solemn responsibility rests on the Government here not to ignore considerations that are accepted as conclusive

in England. The present decision of Government, so unjust to the tax-payers, leaves room for legitimate complaint, especially when it is remembered that we have devoted no less a sum than $36\frac{1}{2}$ crores of rupees out of current revenues towards the reduction of debt during the last seven years, and that an addition of fifteen crores will still leave it 21 crores lower than it was in 1898.

My Lord, I have already referred briefly to the alarming growth that has taken place in the military expenditure of the country in recent years. The military problem is the most dominant factor in the general position of the country's finances, overshadowing every other. National safety is, of course, the first and most paramount consideration in a country's administration. But no people can bear indefinite and ever-increasing burdens—practically without limit, and absorbing the greater part of every financial improvement—even in the name of such safety. I have on previous occasions spoken more than once on this subject at some length in this Council, and I do not, therefore, propose to say much to-day. Last year the Hon'ble Sir Edmond Elles, in his reply to some of my observations, told the Council that I had criticized measures about which my knowledge was infinitesimal. The remark was somewhat superfluous, seeing that in my speech I had taken care not to say one word about any technical matters. The Hon'ble Member then went on

to cite the instance of Japan and ask what would have been her fate, if her future had been guided by statesmen holding the views of my Hon'ble friend Mr. Sri Ram and myself. I do not think the reference to Japan was quite a tactful thing. For Japan's destinies are guided by her own sons, whose one thought and aspiration is the greater glory of their country, and who further by every means in their power the moral and material advancement of their people. Is the Hon'ble Member prepared to adopt Japan as a model for all branches of the country's administration? If so, let him induce his colleagues in the Government to treat the people of India as the Japanese Government treats the people of Japan in matters of education, of industrial development, of military and naval service, of appointment to high and responsible office, and I, on my part, humble as I am, undertake to see that no Indian publicist raises any objection to such military expenditure as the Hon'ble Member thinks it necessary to incur. My Lord, on technical aspects of military questions, the opinion of laymen is of course of but little value. But as the *Englishman* pointed out the other day, 'there is a stage when considerations of military defence emerge out of the plane which has always been tacitly reserved for professional soldiers... The larger problems involving the expenditure of large sums of money and the dispositions of troops in relation to possible enemies are clearly not to be

decided on the fiat of military men. These matters affect the State as a whole, and, as such, must be looked at from the civil as well as the military point of view.' Our military expenditure has nearly doubled itself during the last twenty years, having risen from 17·9 crores in 1884-85 to 32·6 crores in 1905-06. It now exceeds the entire land-revenue of the country and no one can say where it will stop, or if it will stop anywhere at all. It is now said that India is the strategic frontier of the British Empire. If so, the defence of such frontiers is clearly an Imperial responsibility, and India ought to be relieved of part of her present military burdens. For the last twenty years, the fears of a Russian invasion have dominated the situation and dictated the scale of our military expenditure. Russia now lies prostrate and bleeding—her prestige shattered beyond hope, and a standing menace to the peace of Asia gone. May we not now hope for a little respite in this piling up of ceaseless military burdens on our shoulders? The limits of military expenditure were thus laid down by Lord Mayo's Government in 1871 :—' We cannot,' they wrote, ' think that it is right to compel the people of this country to contribute one farthing more to military expenditure than the safety and defence of the country absolutely demand.' The Army Commission of 1879 thus defined the functions of the Indian Army :—' The purposes for which the Army of India must be maintained may be

stated to be—(a) preventing and repelling attacks or threatened aggressions from foreign enemies beyond our border; (b) making successful armed disturbance or rebellion, whether in British India or in Feudatory States, impossible; and (c) watching and over-awing the armies of feudatory Native States.’ This conception of India’s position and responsibilities, however, is no longer thought to be sufficient. Thus last year the Hon’ble Sir Edmond Elles, after asking the question, ‘Are we to be content to hide ourselves behind our mountain barriers under the foolish impression that we should be safe, whilst the absorption of Asiatic kingdoms is steadily in progress?’ observed as follows:—‘It is, I think, undoubted that the Indian Army in the future must be a main factor in the maintenance of the balance of power in Asia; it is impossible to regard it any longer as a local militia for purely local defence and maintenance of order.’ And Your Lordship, referring to the same point, said:—‘I spoke last year about the increasing range of our responsibilities in Asia; and a good deal has happened in the interim to point those remarks. My own view of India’s position is this. She is like a fortress with the vast moat of the sea on two of her faces and with mountains for her walls on the remainder. But beyond those walls, which are sometimes of by no means insuperable height and admit of being easily penetrated, extends a glacis of varying breadth and dimensions. We do not want

to occupy it, but we also cannot afford to see it occupied by our foes. We are quite content to let it remain in the hands of our allies and friends; but, if rival and unfriendly influences creep up to it and lodge themselves right under our walls, we are compelled to intervene because a danger would thereby grow up that might one day menace our security. This is the secret of the whole position in Arabia, Persia, Afghanistan, Tibet, and as far eastwards as Siam.....And the whole of our policy during the past five years has been directed towards maintaining our predominant influence and to preventing the expansion of hostile agencies on this area which I have described.' This new and Imperial definition of India's position and responsibilities is bound to stagger the people of this country, for it means that India's resources are to be unhesitatingly used for engaging in a race with European Powers to absorb Asiatic Kingdoms! Now, apart from the ethics of such absorption, I submit that, if England's dominion in the East must be thus extended in all directions on the mere suspicion that a rival is creeping up towards the frontiers of India, the Imperial Government in England and not the poor people of India ought to find the money for the purpose. The maintenance of the balance of power in Asia is a matter of Imperial concern; and for the Government of India to accept that responsibility is to impose upon this country a military duty and a financial obligation to which she is utterly

unequal and which, moreover, it is unjust to throw on her.

My Lord, I have complained above of the system of finance that has been maintained in this country for the last seven years. That complaint, however, must not be understood to apply to the present Financial Statement, which indeed has to a large extent broken from the old tradition and taken an important step forward in the right direction. With the single exception of the provision made out of current revenues for Army reorganization, the budgetary dispositions appear to me to be both liberal and statesmanlike. Further, speaking for Bombay, I gladly acknowledge the liberal character of the new Provincial Settlement. I rejoice also that the Hon'ble Member has put an end to the era of systematic underestimating of revenue and overestimating of expenditure. More than once had I complained of this practice in this Council as unfairly prejudicing the chances of the tax-payer in the matter of remission of taxation. Last year, for instance, I had said :—' In the twelve years of storm and stress (*i.e.*, from 1885—1896) it was perhaps necessary for the Finance Minister to act on the safe, if somewhat over-cautious, plan of underestimating the revenue and overestimating the expenditure. But though the difficulties of the position have passed away, the tradition, once established, still holds the field.' And this only drew on me a sharp remonstrance from Sir Edward Law. It

was, therefore, with a certain amount of legitimate satisfaction that I found the Hon'ble Member virtually admitting the correctness of my contention and admitting it very nearly in my own words. 'So long,' he has observed, 'as all growth of revenue and the fruits of all retrenchment were liable to be swallowed up by a fall in exchange, it was common prudence to frame the estimates in the most cautious manner, and to take no credit for developments of revenues until they were absolutely assured. When this factor was eliminated, the traditions of excessive caution remained and due allowance was not always made in the estimates for the normal expansion of the growing heads of revenue.' My Lord, the financial position of the Government now is one of exceptional strength. Taking the Budget Estimates for next year, we find that, after providing 3 crores 66 lakhs for an extraordinary charge, which ought to be met out of borrowings, we still have a surplus of 1 crore 36 lakhs. This means an excess of 5 crores of revenue over expenditure. Then the profits from coinage have averaged about $2\frac{1}{2}$ crores a year during the last five years and they are bound to increase as trade expands. These profits will be available for general purposes in a year or so, as the Gold Reserve Fund already stands at $8\frac{1}{2}$ millions sterling, and as Your Lordship stated last year, when it reaches 10 millions sterling, it 'will be sufficient for our purpose and will give us a permanent

guarantee for stability of exchange.' Then Railway finance has entered on a new phase. After causing a net loss year after year for half a century—from 1849—aggregating in all to sixty crores of rupees, our system of Railways has now commenced to bring in a profit to the State, and there is every reason to believe that this profit will steadily increase. The revenue under Excise and Customs is also showing a large and continuous increase. Leaving all growth of revenue under Railways, as also under Excise, Customs and other principal heads, to meet the growing requirements of public expenditure, we still have a margin of about $7\frac{1}{2}$ crores a year to devote to purposes intimately connected with the moral and material well-being of the people. And if only military expenditure is prevented from absorbing everything, and a comprehensive and statesmanlike view taken of the duties of the State and of the exceptional opportunities which the present position of the finances affords to Government, a vast deal could be done to improve the condition of the people and thereby also deepen, broaden and strengthen the true foundations of British rule in this land. There is, for instance, the separation of Judicial and Executive functions to be effected—a reform demanded by eminent Anglo-Indians as well as Indians, which Lord Dufferin described as a counsel of perfection and which, he said, could not then be carried out for want of funds. Well, the Government now

have funds to carry out the reform many times over, and I respectfully submit it ought to be no longer delayed, as the sense of oppression and discontent to which it gives rise is infinitely more serious than any administrative convenience which may result from it. Then there is the extension of education in all its branches—a matter of the greatest importance to the country's progress. But it is not of these that I desire to speak to-day. The subject that I wish most earnestly to urge upon the attention of the Government is the condition of the agriculturist. My Lord, the Indian agricultural producer is terribly handicapped, and his position is getting harder every day. In the first place, nowhere is the burden of taxes on the land in relation to produce so heavy as in this country, as may be seen from the following figures taken from Mulhall's Dictionary:—

| Country. | Percentage of taxes in relation to gross produce. |
|--------------------------|---|
| United Kingdom | 8.3 |
| France | 4.8 |
| Germany | 3.0 |
| Austria Proper | 4.9 |
| Italy | 7.0 |
| Belgium | 2.8 |
| Holland | 2.8 |

These taxes on land include stamp-duties and local rates and, in France, road-cesses. In India, leaving out of calculation Provincial rates and stamp-duties and confining ourselves to land-revenue only, what do we

find? Taking the figures set forth in the Government Resolution of 1902, which cannot be suspected of being unduly unfavourable to Government, we find that, in *Madras*, the assessment is from 20 per cent., in the Godavari District, to 8 per cent., in Anantapur, of the gross produce, and in most districts it averages over 15 per cent. In *Bombay* the assessment in Guzerat is 20 per cent., and even in the dry and dreary Dekhan, considering the uncertainty of the seasons, it is in no way lighter. In the *United Provinces of Agra and Oudh* it is one-seventh or one-eighth of the gross produce, *i.e.*, from 12 to 14 per cent. Thus, while elsewhere the total burden on land is well below ten per cent., with us, taking the land-revenue alone, we see that the assessment over most areas is about 15 per cent. and in some portions as high as 20 per cent. of the gross produce—and this according to official estimates. Secondly, everywhere in India, and particularly in the temporarily-settled districts, the utter resourcelessness of the agricultural classes is the most distressing fact of the situation. The cultivator has no capital and has but little credit and is simply unable to make proper use of Nature's wealth that lies at his door, with the result that his cultivation is of the rudest and most exhausting type. The yield of the soil has been steadily diminishing, except in irrigated tracts, being simply 8 to 9 bushels an acre, about the lowest yield in the world. Thirdly, the

currency legislation of Government has hit the raiyat very hard, depreciating at once the value of his small savings in silver and increasing steadily, as prices are adjusting themselves to the new rupee, the burden of his assessment and his debts. Fourthly, a succession of bad seasons during the last fifteen years has borne him down with crushing pressure, the MacDonnell Commission observing that the past decade in most parts of India has been 'a decade of misfortune and distress.' Lastly, there is his terrible indebtedness, which is admitted by everybody, and which, there is reason to fear, is steadily on the increase. In such a situation the struggling raiyat toiling ceaselessly without heart and without hope needs every assistance and relief that can possibly be brought to him. But the operations of the Settlement Department are going on apace, and everywhere a fresh revision means a fresh enhancement of the Government demand. Taking Madras, Bombay, Central Provinces, and the United Provinces of Agra and Oudh, together, we find that during the last ten years the land-revenue collections have risen from 14·4 crores in 1893-94 to 15·4 crores in 1903-04—an increase of fully one crore in ten years! And yet all these provinces have suffered during the period from a succession of calamitous seasons. My Lord, the fearful poverty and indebtedness of the agriculturist calls for a great and comprehensive scheme of ameliorative action, and no

mere palliatives will be of much avail. A general reduction of the State demand in the temporarily-settled provinces as suggested by Mr. O'Connor, the grant of Permanent Settlement to those provinces together with a bold scheme for the composition of the raiyats' liabilities—nothing less than these measures will really save him from utter and hopeless ruin. The present financial position, with an assured excess of at least $7\frac{1}{2}$ crores of revenue over expenditure, gives Government a great opportunity, which, if allowed to slip now, may never present itself again. A reduction of 20 per cent. in the State demand in the provinces of Madras, Bombay, Central Provinces, and United Provinces will not cost more than 3 crores a year and the amount sacrificed will return to the State tenfold in the increased prosperity and contentment of the people. And a great scheme of composition of debts, similar to the one for buying out the landlords in the Irish Land Purchase Act of last year—when the Imperial Treasury undertook to advance a hundred millions sterling for the purpose—will mean the making of the raiyat again and is the only way in which the problem of agricultural indebtedness can be successfully grappled with.

Another subject which I wish earnestly to bring to the attention of Government is the condition of Municipal bodies in those parts of the country which have suffered severely from successive visitations of the

plague. The finances of some of these bodies have been so completely disorganized that it is with difficulty that they are able to perform their most elementary duties. They still owe large sums to Government for plague loans, though the greater part of these loans have been already remitted by Government, and unless Government come forward again to help them out of their embarrassments, their available margin of income over expenditure must be devoted to the paying off of these debts for several years to come. I have the honour to preside over one of the largest Municipalities in the Bombay Presidency—the Corporation of Poona—a body which has suffered as much as any other from this terrible scourge; and I know from personal experience how we are simply powerless at present to undertake any large works of improvement and what a struggle we have to make merely to keep things going. Our plague debt to-day is about $2\frac{1}{2}$ lakhs of rupees—a sum nearly equal to our annual income—and it will take something like fifteen years to clear it off, which means that for fifteen years our small margin of income over expenditure will not be available to us for any other purpose. From a return very courteously supplied to me by the Finance Member, I find that the amount which the mofussil Municipalities in the Bombay Presidency still owe to Government is about 17 lakhs of rupees. This is over and above 22 lakhs which the Government

have already remitted. Moreover, the Municipalities have met out of their own revenues a plague expenditure of about 16 lakhs. It is only fair to mention that for these plague loans the Municipalities are only technically responsible. They represent the excess expenditure incurred by Government in the name of Municipal bodies in the early years of the plague, when all kinds of drastic measures were adopted to stamp out the disease and Municipal money was spent by plague officers appointed by Government with the most reckless profusion. Now this sum of 17 lakhs, which the Municipalities still owe to Government, is really the merest nothing to the Government, with their crores and crores of surplus revenues; but to these Municipal Bodies it means all the available margin of income over expenditure. I therefore earnestly suggest that these plague loans should be written off by Government so as to leave Municipalities free to devote their slender resources to urgently needed undertakings. I am willing that in writing off these loans a condition should be imposed on the Municipalities that the amounts written off by Government should be devoted to works of permanent utility. I am sure, my Lord, if only the Finance Minister will adequately realize the extent of our difficulties—difficulties which contrast most painfully with the prosperous condition of the Government of India's Treasury—he will at once recognize the absolute necessity of com-

ing to our relief. In Poona, for instance, we have the plague from four to six months every year. During these months we suffer a heavy loss in octroi and other revenue, and while our receipts thus suffer our expenditure increases because, in addition to our ordinary establishment, we have to maintain a special establishment to deal with the outbreak of plague. My Hon'ble friend, Mr. Younghusband, who is Commissioner of the Division to which Poona belongs, and who has always been a most sincere friend of local bodies, will, I am confident, endorse every word of what I have said, if he is called upon to express an opinion on this subject. But writing off plague loans is not all the assistance that I ask for our Municipalities at the hands of the Government. I want the Government to go further—much further—and recognize the obligation to make substantial grants in aid of the funds of these bodies for works of permanent improvement, such as drainage and water-supply. My Lord, the persistence with which the plague has been lingering in our midst has drawn pointed attention to the questions of faulty drainage and defective water-supply, and it is recognized that real improvement in the health conditions of the people is impossible, unless these matters are taken seriously in hand. Now it is a Western plan which leaves such works to be executed by local bodies out of their own resources. And though it may work well in Western countries owing to the

wealth of their towns, it is utterly unsuited to India, where the unaided resources of local bodies are altogether inadequate for such costly undertakings. Moreover, in view of the frightful mortality caused by the visitations of plague and the generally high death-rate of Indian towns, it is a clear obligation resting on Government, especially when they have funds necessary for the purpose, to do all that lies in their power to promote the interests of public health, and from this obligation they are not absolved simply because they have handed over certain duties and certain resources to certain Boards. Further, these Boards are not independent bodies. They are subject to a large measure of Government control and they include a considerable proportion of Government nominees. It is only fair therefore that the Government should assist them financially in carrying out projects which are beyond their unaided capacity to undertake. Government give a grant to these Boards in aid of education, and there is no reason why public health should not be placed on the same footing as education. I would therefore suggest that about a million sterling a year should be devoted to assisting Municipal Bodies with grants for drainage and water-works. I understand that such grants are not unknown in individual instances in Madras and some other Provinces. I think, however, that the construction of such works will be greatly encouraged by the Government adopting an attitude of

liberality as a general policy in this respect. The needs of public health require such assistance from Government and financially they are in a position to render it. The principle, moreover, has been accepted this year in the case of District Local Boards. I earnestly trust, therefore, that the suggestion which I have ventured to make will receive favourable consideration at the hands of Government.

My Lord, I have already detained the Council at considerable length, but there is one subject more about which I would like to say a word before I conclude. This time last year, Your Lordship dealt at some length with the question of the wider employment of Indians in the public service, and, shortly after that, a lengthy Resolution was issued by the Government of India on the same subject, reiterating the arguments and conclusions of Your Excellency's speech. Your Lordship, after analysing the situation, came to the conclusion that not only were the people of this country not justified in complaining of exclusion from high office, but that they were being treated with 'a liberality unexampled in the history of the world.' The Government Resolution of May 24th, 1904, expressed the same opinion in the following words:—'There has been a progressive increase in the employment of natives and a progressive decline in the employment of Europeans, showing how honestly and faithfully the British Government has fulfilled its pledges and how

untrue is the charge which is so often heard of a ban of exclusion against the natives of the country.' In spite of both the speech and the Resolution, however, the public mind remains unconvinced, and certain propositions in the Resolution have even created the unfortunate impression that it is no longer the intention of Government to adhere faithfully to the lines of policy laid down in the matter in the Parliamentary Statute of 1833 and the Proclamation of the Queen-Empress in 1858. The Statute and the Proclamation have respectively pledged the word of the British Parliament and the British Sovereign to the people of India that all offices in the country shall be equally open to all without distinction of race, colour, or creed. The Statute was further interpreted by the Court of Directors as laying down that there was to be no governing caste in India, and that whatever tests of fitness were prescribed, considerations of race or creed were not to be of the number. The Resolution of last year, however, lays down two principles, as governing the situation, which, in the form in which they are stated, are certainly inconsistent with the pledges given in the Statute of 1833 and the Proclamation of 1858. The Resolution says :—'The general principles which regulate the situation are two in number. The first is that the highest ranks of civil employment in India—those in the Imperial Civil Service, the members of which are entrusted with the

responsible task of carrying on the general administration of the country—though open to such Indians as proceed to England and pass the requisite tests, must nevertheless, as a general rule, be held by Englishmen for the reason that they possess partly by heredity, partly by upbringing, and partly by education, knowledge of the principles of government, the habits of mind, and the vigour of character, which are essential for the task, and that the rule of India being a British rule and any other rule in the circumstances of the case being impossible, the tone and standard should be set by those who have created and are responsible for it. The second principle is that outside this *corps d'elite* the Government shall, as far as possible, and as the improving standards of education and morals permit, employ the inhabitants of the country, both because its general policy is to restrict rather than to extend European agency and because it is desirable to enlist the best native intelligence and character in the service of the State. This principle is qualified only by the fact that, in certain departments, where scientific or technical knowledge is required or where there is a call for the exercise of particular responsibility or for the possession of a high standard of physical endurance, it is necessary to maintain a strong admixture and sometimes even a great preponderance of the European element.' The Government of India thus lay down (1) that race, so far from being no dis-

qualification, shall constitute in the case of all but a very few a conclusive disqualification for the higher offices of the State ; (2) that this disqualification shall last as long as the British rule endures ; (3) that in regard to other offices held at present by Europeans, they are so held because Indians qualified by education and morals are not either available, or where they are available, they are unfit for the exercise of 'particular responsibility.' Now, my Lord, the equal treatment promised in regard to public employment by the Parliamentary Statute and the Queen's Proclamation may be nothing better than a legal fiction in practice, but it is a fiction which we have cherished as embodying an ideal for the future and representing the higher purpose of British rule in this land, and we cannot afford to see it so explicitly repudiated by the Government. Nothing to my mind is calculated to affect more disastrously the attitude of educated Indians—and their number is bound steadily to grow—towards British rule than a belief that under that rule their exclusion from the highest offices of the State is intended to be perpetual. As regards the question of education and morals being involved in our exclusion from most of the offices in the special departments, is it really intended to be conveyed that among the thousands and thousands of educated Indians who are ready to seek employment under the State, even a few cannot be found possessing the necessary education and

moral character or qualified to exercise the required degree of responsibility? I am sure the question has only to be presented in this form to make the injustice of it clear to everybody. Why, my Lord, it is a matter of common knowledge that, in the case of the smaller appointments at all events, it is not the Indian, but the European or Eurasian competitor, whose education and morals it would really be desirable sometimes carefully to investigate. However, I do not wish to pursue this argument any further on this occasion. My object today is to point out how inaccurate and misleading is the conclusion which the Government of India Resolution has recorded on this subject and which I have already quoted above. The Resolution claims (1) that the pledges given have on the whole been honestly and faithfully carried out, and (2) that there has been a progressive increase in the Indian element and a progressive decline in the European element in the service of the State. Before proceeding to show how unsupported by facts this two-fold claim is, I must, in the first place, point out that in the statistical tables which accompany the Resolution the real issue has been obscured by the inclusion therein of posts as low as Rs. 75 a month. When we complain of our exclusion from high office, we do not refer to the lower grades of the Public Service—grades which carry salaries as low as Rs. 75 or 100 or even 200 rupees a month—though


in some of the special departments, we are virtually shut out even from such petty appointments. When we make the complaint about exclusion, we refer to offices sufficiently high in the Public Service—offices of trust and responsibility—say above Rs. 500 a month. I have compiled tables for the years 1897 and 1903 from the statistics published by the Government of India to show how we stand in regard to these appointments, and it will be seen from them that the two-fold claim of the Government of India already referred to is wholly untenable. I do not propose to read out these tables. They will appear as an appendix * to my speech in the report of these proceedings. It will be seen from them that they effectively dispose of the contention that we have so far been treated with unexampled liberality. They also show that most of the new posts, created between 1897 and 1903, have gone to either Europeans or Eurasians, which element certainly shows no signs of declining, the Indian element even losing ground in some of the departments.

My Lord, this question of appointment to high office is to us something more than a mere question of careers. When all positions of power and of official trust and responsibility are the virtual monopoly of a class, those who are outside that class are constantly weighted down with a sense of their own inferior position, and the tallest of them have no option but to bend in or-

* *Vide* Appendix C.

der that the exigencies of the situation may be satisfied. Such a state of things, as a temporary arrangement, may be accepted as inevitable. As a permanent arrangement, it is impossible. This question thus is to us a question of national prestige and self-respect, and we feel that our future growth is bound up with a proper solution of it. My Lord, Your Lordship said on one occasion that to your mind efficiency of administration was synonymous with the contentment of the people. There is no question, of course, of the supreme importance of a high degree of efficiency in a country's Government. There is also no doubt that in this respect the present Administration has been the most strenuous and the most successful of any that the country has had for many years. But may I venture respectfully to point out that Your Lordship's proposition leaves out of account the special circumstances of India, that efficiency, though an object of paramount importance with us as elsewhere, is not the sole purpose of British rule in this land, and that for the contentment of the people to be real and enduring, something more is indispensable than mere efficiency, however high it may be? A succession of great statesmen, who in their day represented the highest thought and feeling of England, have declared that, in their opinion, England's greatest work in India is to associate the people of this country, slowly it may be, but steadily, with the work of their own Government. To the extent to which

this work is accomplished, will England's claim to our gratitude and attachment be real. If, on the other hand, this purpose is ever lost sight of or repudiated, much good work, which has been already done, will be destroyed, and a position created, which must fill all true well-wishers of both England and India with a feeling of deep anxiety.



BUDGET SPEECH, 1906.

[At a meeting of the Imperial Legislative Council, held on Wednesday the 28th March 1906, His Excellency Lord Minto presiding, the Hon'ble. Mr. G. K. Gokhale made the following speech on the Financial Statement for 1906-07 presented by the Hon'ble. Mr. E. N. Baker.]

My Lord, for the second time, the Hon'ble Mr. Baker has laid before the Council a budget, which, judged by the limits within which he was free to move, is an interesting and satisfactory statement, and which for lucidity of exposition will take high rank among the Financial Statements of the Government of India. I am particularly pleased to read what the Hon'ble Member writes about the effect of the recent reductions of salt duty on the consumption of that article. Time was, not so long ago, when it was the fashion, both in this Council and outside, to regard the burden imposed on the masses by a high salt duty as after all only a light one, and to deny that its rate could seriously affect consumption. If ever the Government of India finds itself driven to enhance the duty again, I hope the Finance Member of the future will remember the eloquent testimony of my Hon'ble friend on the results of recent reductions, and no one will again venture to contest the proposition that, in dealing with

a prime necessary of life such as salt, the only right policy is to raise an expanding revenue on an expanding consumption under a diminishing scale of taxation. Even at present, the level of the duty—about 1,600 per cent. of the cost price—is much too high, and I earnestly trust that the Hon'ble Member will have, as I have no doubt he will be glad to have, another opportunity during his tenure of office as Finance Minister to effect a further reduction, thereby making the duty throughout India at least uniform with what it is in Burma, namely, Re. 1 a maund. The consumption in India, which was under 10 lbs. per head before these reductions, has now risen to about 11 lbs., but it is still far below the level of Burma, where it is about 17 lbs. per head. My Lord, the abolition of certain cesses on land and the discontinuance of certain appropriations from the funds of District and Local Boards for Provincial purposes will be greatly appreciated in the Provinces concerned, and I regard with sincere satisfaction the policy which underlies these measures. My only regret is that Bombay does not participate in the benefit of the relief accorded, and, if it is not yet too late, I would like to suggest one or two directions in which the Hon'ble Member could usefully come to our assistance on the same principle on which he has given the present relief to the other provinces. One is as regards the loss which our Local Boards have to bear as a result of the suspensions and remissions of land

revenue granted by Government. The principal part of the income of these Boards is derived from the one-anna cess on land; so when the Government, owing to the prevalence of famine, suspends or remits a part of the land-revenue, the one-anna cess that is paid with such revenue is also automatically suspended or remitted. The Government anticipates that the amount suspended or remitted this year owing to the present famine will be about 50 lakhs of rupees. This means that the Local Boards will lose a little above 3 lakhs of their revenue during the year. The proceeds of the one-anna cess for the whole Presidency are under 30 lakhs, and to lose 3 lakhs out of 30 lakhs is a serious matter. Moreover, the loss is not spread over the whole Presidency, but has to be borne only by the districts affected, which means that in those districts the Boards will not have enough money even for their barest wants. I suggest, therefore, that the grant this year to the Boards from the Provincial revenues should be increased by 3 lakhs, or by whatever may be the amount of the one-anna cess suspended or remitted with the land-revenue, the Provincial Government receiving, if necessary, compensation from the Government of India for the purpose. I understand that this is the practice that is followed in the Punjab, where, as a result, the Boards receive their full amount intact, whatever suspensions or remissions the Provincial Government may grant to the agriculturists; and I only ask

that our Boards may be treated with the same consideration. Another direction in which the Hon'ble Member could come to the rescue of these Boards is by relieving them of all responsibility for famine relief, which the Famine Code imposes upon them. Under the Code, the duty of relieving famine distress is first cast on the resources of the Local Boards and then on those of the Provincial and Supreme Governments. Now the means at the disposal of the Boards, even for the objects for which they have been brought into existence, *viz.*, education, sanitation and medical relief, and roads, are woefully inadequate, and to throw on them in addition so heavy and unjustifiable a burden as famine relief is to take away from them practically all power of doing useful work. For the last ten years and more, we have had on our side an almost unbroken succession of unfavourable seasons, with no less than four famines, and the embarrassments of Local bodies have been further aggravated by plague and the cost of plague measures; as a result, over the greater part of the Presidency, our Boards have been reduced to a position not far removed from bankruptcy. The relief I ask for, though small, will therefore not fail to prove useful in their present circumstances, and I earnestly trust that the Hon'ble Member, who has already given abundant evidence of his sympathy with Local bodies in their struggles, will realize the justice and necessity of granting it.

Before I proceed to deal with the larger questions on which I wish to offer a few observations to-day, I would like to make two suggestions, and address one inquiry to the Hon'ble Member. My first suggestion is that in the general statements of revenue and expenditure, given in Appendix I, the figures under Railways and Irrigation (productive works) should be given net. In the budget for the coming year, the receipts under these heads have been estimated at about $29\frac{1}{2}$ millions and the charges at about 27 millions. The net receipts to the State, therefore, under the two heads amount to only about $2\frac{1}{2}$ millions, and I submit that it would give us a much more correct idea of the true revenue and expenditure of the country, if only this sum of $2\frac{1}{2}$ millions were entered on the revenue side in the general statements, and a separate statement appended showing the gross receipts and charges under the two heads, instead of two such huge figures as $29\frac{1}{2}$ millions and 27 millions being entered on the two sides of the account. The outlay on Railways and Irrigation is on a commercial basis, out of borrowed capital, and the receipts are bound to go up as the capital outlay increases. As a matter of fact, they have been going up of late years owing to increased capital expenditure and other causes by leaps and bounds, having nearly doubled themselves in ten years, standing to-day at $29\frac{1}{2}$ millions against $15\frac{1}{2}$ millions in 1896-97; but they make no

real addition to the revenue of the country, except by that portion of them which represents the net profit earned by the State. In Japan, where they do things more scientifically than we, the course that is adopted as regards State Railways is the one I have suggested, and only the profits on the undertakings appear on the revenue side in the Financial Statement. Our present practice has been responsible for many curious misapprehensions of the financial position, and it has misled even those who should know better. Thus two years ago, the Military Member of the Government of India—Sir Edmond Elles—advanced in this Council the obviously untenable proposition that, though the military expenditure of the country had in recent years been growing, its growth, proportionately speaking, was less than that of our revenue; and he proceeded gravely to establish his contention by treating these rapidly increasing gross receipts under Railways and Irrigation as part of the revenue at the disposal of the State. And when I drew his attention to this error, he simply would not budge an inch, and contented himself merely with the remark that he did not know why he should not take the figures as he found them! My second suggestion is that the income and expenditure of Local Boards, included under the head of Provincial Rates, should be separated from the accounts of the Government of India. It is a small matter—only about 2 millions a year—but it gives

rise to much confusion. Take, for instance, education. A reference to Statement B will give one the idea that the Government expenditure on education was nearly 2 millions sterling, when in reality it is only about a million; the rest is Local Boards' expenditure merely included in Government accounts. It is true that the heading, 'Provincial and Local,' is there to prevent a misconception: but that in itself is again misleading, as the term, Local, ordinarily includes Municipal also, whereas, in the accounts of the Government of India, the income and expenditure of only Local Boards, and not of Municipalities, are included. I trust the Hon'ble Member will be able to effect this simple but necessary reform. If the suggestions I have made are accepted, our real revenue will be seen to be about 58 millions instead of 87 millions, as the Statements in Appendix I lead one to imagine. The inquiry I want to make is about the Gold Reserve Fund and the profits from Coinage. It was stated by Lord Curzon two years ago that the Gold Reserve Fund was to accumulate till it rose to 10 millions sterling, which amount, he declared, 'will be sufficient for our purpose and will give us a permanent guarantee for stability of exchange.' This limit has been already passed and the Fund to-day stands at over 12 millions sterling, and I think the Hon'ble Member owes it to the country to say what he proposes to do with the profits from Coinage in future years. The fund is to accu-

mulate at compound interest, and may therefore be left where it is. And the profits—about 2 millions a year on an average of six years—may henceforth be used to provide money for loans to agriculturists in a comprehensive scheme for the relief of agricultural indebtedness. They will thus yield a better interest than when they are invested in consols; such a course will also enable the Government to make some reparation to those classes which have been hit the hardest by its currency legislation. Even if they were devoted to productive public works, reducing by a corresponding amount the annual borrowings of the State, that will be better than the present plan of investing in consols. The justification of a policy, which invests its own money in $2\frac{1}{2}$ per cent., and borrows at the same time for its purposes at $3\frac{1}{2}$, is not quite obvious.

My Lord, our financial administration is bound up with questions of policy of the highest importance affecting the Government of the country, and unless that policy undergoes a radical change, our revenues will not be administered in a manner which will best promote the true well-being of the people. Of such questions, the most dominant, as it is the most difficult and delicate, is the question of the Army. My Lord, I fear that a protest in this country against the military policy of the Government and the ceaseless and alarming growth of our military burdens is almost like a cry in the wilderness, but the protest has to be

made on every occasion that presents itself, as our most vital interests are involved in a proper solution of this question. Moreover, if ever there was a juncture when our voice in this respect should be heard by the authorities, that juncture is now. A profound change has taken place in the general position of Asiatic politics. The triumph of Japan in the late war has ensured peace in Mid and East Asia. The tide of European aggression in China has been rolled back for good. The power of Russia has been broken ; her prestige in Asia is gone ; she has on her hands troubles more than enough of her own to think of troubling others for years to come ; and thus a cloud that was thought to hang for twenty years and more over our North-Western frontier has passed away, and, humanly speaking, is not likely to return, at any rate during the time of the present generation. The Anglo-Japanese alliance, concluded without considering how it would be regarded by the people of this country, is a futher guarantee of peace in Asia, if such an alliance has any meaning. Surely, my Lord, this is the time when the people of this country have a right to look for a substantial relief from the intolerable burden of an excessively heavy military expenditure which they have had to bear for so many years past. And the first step in the direction of such relief is to suspend the execution of the Reorganization Scheme drawn up by His Excellency the Commander-in-Chief and estimated

to cost more than 10 millions sterling. This scheme was projected in the early stages of the Russo-Japanese War, and was sanctioned in November 1904, when the issue of the struggle was not only uncertain but the odds seemed to be against Japan, and when apprehensions were entertained of hostile movements of Russian troops in the direction of Cabul. Now, however, that the situation has undergone a complete change and the North-Western frontier, our one danger-zone, has for the time ceased to be a danger-zone, there is no justification for proceeding with a costly scheme, devised to ensure a concentration of the entire armed strength of the country on that frontier at the shortest notice. Ten millions, again, does not represent the whole cost of the scheme. There is to be in addition a permanent burden on its account; how much it will be we have not yet been told, but the Hon'ble Mr. Baker warned the Council last year that it would be considerable. This recurring charge is to appear on the scene after five years, during which period 2 millions a year are to be spent out of current revenues to carry out the scheme. My Lord, I respectfully protest against the execution of such a scheme at such a time, as involving an expenditure of money and effort wholly beyond our capacity and not called for or justified by the requirements of the situation. The Secretary of State for India stated in Parliament the other day in reply to a question that the matter was being further considered.

I earnestly trust that his decision will be to hang up the scheme; at any rate till a more disquieting situation than the present arises on the North-Western frontier. Should the Government, however, unfortunately make up its mind to ignore recent events and proceed with the scheme, I would most strongly urge that the money required for the initial outlay should be found out of loan funds. My Lord, during the last eight years, the Government has spent its surpluses, amounting to about 35 crores of rupees, on railways, in addition to borrowed capital. Now such expenditure of current revenues as capital outlay on productive works appears in the accounts as an addition to our productive debt (which represents the capital expended on productive works), and this necessitates a reduction by a corresponding amount of the unproductive debt of the country. Last year, when I made this simple statement in connection with my plea that the cost of the Army Reorganization Scheme should be met out of borrowing, the Hon'ble Member, to my surprise, denied the correctness of my proposition. He, no doubt, spoke under a misapprehension, and he evidently thought that my contention was that the total debt of the country, productive and unproductive taken together, had been reduced, when my whole argument was that, as our unproductive debt, which after all is the only real debt, had been reduced by the amount of current revenues spent as capital, the whole cost of

the new Army Scheme could be met out of loan funds, and yet our unproductive debt would stand lower than where it was eight years ago. My Lord, it is most unjust to the tax-payers of this country that, while the surpluses that accumulate should be spent as captial, heavy non-recurring charges in connection with the Army should be thrown on current revenues, when every pie that can be spard from these revenues is urgently needed for the education of our children and for a hundred other objects of internal progress. The Hon'ble Member may say that till the surpluses are actually realized, no one can tell what they will be. But surely when they have been realized and when they have been so employed as to reduce the unproductive debt of the country, I think there is no excuse for avoiding borrowing, within the limits of such reduction, for meeting heavy nonrecurring charges.

My Lord, I beg leave next to urge that the strength of the Army in India should now be reduced by at least those additions that were made in 1885 under the influence of the Penjdeh scare. The growth of the military expenditure in recent years has been simply appalling, as may be seen from the following figures :—

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|-----------|----------|--------------|--|
| 1884-1885 | ... | 17.9 crores. | (Before the increases of 1885 were made.) |
| 1888-1889 | ... | 22.2 crores. | (After the increases had their full effect.) |
| 1902-1903 | ... | 28.2 crores. | |
| 1906-1907 | (Budget) | 32.8 crores. | |

Our military expenditure is now nearly double of what it was twenty years ago. Since 1888 it has risen by over $10\frac{1}{2}$ crores a year, and this, notwithstanding the fact that the strength of the Army has not been increased by a single troop or company during the time. The increases made in 1885 were made in spite of the protest of two Members of the Government of India and in disregard of the view recorded by the Army Commission of 1879, that the then strength of the Army was sufficient both for internal peace, and to repel foreign invasion, not only if Russia acted singly, but even if Alghanistan joined her as an ally. And since that time the fear of Russian aggression has been the one dominating factor in all our military arrangements. With Russia now crippled, and the Anglo-Japanese alliance concluded, the last trace of any such fear should disappear from the mind of the Government, and the country should be relieved of the burden imposed upon it specially as a result of that fear. The increasing difficulty that has of late been experienced in England in the matter of recruitment, and in providing the annual drafts for India, with the resulting payment of bounties to short-service men here as an inducement to extend their service, also points to a reduction of the garrison in this country as a necessary measure of justice to the Indian tax-payer. Should the view, however, be upheld that such a reduction is not possible on the ground urged in this Council

by Sir Edmond Elles, that the Indian Army 'is no longer a local militia for purely local defence and maintenance of order', and that it 'must in the future be a main factor in the maintenance of the balance of power in Asia.' I submit that the Imperial Government ought in justice to bear a part of the cost of an army maintained for such a purpose. My Lord, our military expenditure has now grown to such proportions that it over-shadows the whole field of Indian finance, and under its chilling shade no healthy development is possible for the people. And unless the axe is resolutely applied to its overgrown portions, our life will continue to exhibit the same signs of sickness that at present unhappily mark its growth.

But the appalling increase in the weight of military burdens is not our only grievance in connection with the Army. The whole system of Indian defence, founded as it is on a policy of distrust, rests on an unnatural basis, and one notes with regret that the position is growing worse every day. Whole populations are now excluded from the Army. The abolition of the Madras Command under the new scheme involves the disestablishment of that Presidency as a recruiting ground, and amounts to a denial to the people of Southern India of all opportunity of service even in the ranks. Recruitment is being confined more and more to frontier or trans-frontier men,

to the people of non-Indian or extra-Indian areas, with the result that the Army is approximating more and more completely to a mere mercenary force. The Arms Act is being worked with increasing rigour, and licenses to carry arms are now issued more sparingly than at any time before. I believe there are not more than thirty to forty thousand such licenses at the present moment in all India. A large increase has been made in the number of British officers attached to the Native Army, so as to give all Punjab regiments an establishment of 13 British officers, and all other regiments, of 12. This increase completely ousts the Native officers from even such positions of trust as were open to them before, and not even the command of troops and companies is now really left to them. We have been asking for years that the commissioned ranks in the Indian Army may be thrown open to aspiring and qualified Indians, scions of aristocratic families and others, and the reply of the Government is a stiffer closing of such careers to us. It is true that four members of the Cadet Corps were granted commissions last year, and the language used by the late Viceroy more than once in speaking of the Corps had raised the expectation that these young men would be allowed the same opportunities of attaining to positions of command in the Indian Army as British officers. The reply given by the Commander-in-Chief to my question on this subject last week disposes of

this expectation, and we see that Lord Curzon's promise in the matter, though kept to the ear, has been broken to the hope. In pre-Mutiny days we had two systems, the regular and the irregular. Under the regular there were 25 British officers to a Native regiment, whereas under the irregular there were only just 3 picked ones. The Army Commission of 1859 pronounced in favour of the 'irregular' arrangement; and after considerable discussion a compromise was eventually arrived at, and it was decided in 1863 that 7 British officers should be attached to each Native regiment—these to command squadrons and wings, while the Native officers were to have charge of troops and companies. The question was re-opened in Lord Mayo's time, and an increase of British officers was demanded; and the discussion again went on till 1875-6, when it was finally decided by Lord Salisbury (then Secretary of State for India) that the 7 officers system should be upheld, his Lordship laying stress on the point that the position of the Native officers should be improved and raised. And now the question having been brought up afresh, we find the decision going against us, and the number of British officers in Native regiments raised from 7 to 12 and 13! My Lord, such growing distrust of the people, after so many years of British rule, is to be deplored from every point of view, and not until a policy of greater trust is inaugurated, will the military problem, or indeed any other problem

in India, be satisfactorily dealt with. I recognize the difficulty of the situation and the undoubted need that exists for caution in the matter. But after all it is only confidence that will beget confidence, and a courageous reliance on the people's loyalty will alone stimulate that loyalty to active exertion. As long as things continue as at present, the problem of Indian defence, do what you will, must remain essentially and practically unsolved. The experts, who accompanied the Russian and Japanese armies in the late War, have declared that the Indian Army will be found too small, if a great emergency really arises. This is bound to be so, as long as reliance is placed on standing battalions exclusively, with such reinforcements as England might be able to send in the hour of need. Everywhere else in the civilized world, the standing army is supported by a splendid system of reserves, and the nation is behind them all. Here alone there are no reserves worth speaking of to augment the fighting strength of the country in times of war, and the matter is treated as if it were no concern of the people. The late Viceroy quoted last year the achievements of Japan to justify the enormous growth in our military expenditure. Does any one however believe that Japan's glorious achievements would have been possible, if the Government of that country had merely poured money like water on its standing battalions, unaugmented by reserves, and the magnificent spirit of every

man, woman and child in that country had not been behind the Army to support it? Japan's ordinary budget for the Army is only about 37·3 millions yen, or a little under six crores of rupees. And for so small an expenditure, she has a standing army of 167 thousand men, with reserves which can raise it to over six hundred thousand men in times of war. We spend nearly six times as much money a year, and yet, in return for it, we have only an inextensive force of about 230 thousand men, with about 25 thousand Native reservists and about 30 thousand European volunteers! Both on financial and on political grounds, therefore, our present unnational system of military defence is open to the gravest objection. My Lord, I respectfully submit that it is a cruel wrong to a whole people—one-fifth of the entire population of the world—to exclude them from all honourable participation in defence of their hearths and homes, to keep them permanently disarmed, and to subject them to a process of demartialization, such as has never before been witnessed in the history of the world. Lord George Hamilton once told an English audience that there were millions of men in India, who were as brave as any people on the face of the earth. Leaving such material, in the country itself, neglected, the Government has thought fit to enter into an alliance with a foreign Power—and that, an Asiatic Power, which once borrowed its religion from us and looked

up to us—for the defence of India! Japan came under the influence of Western ideas only forty years ago, and yet already, under the fostering care of its Government, that nation has taken its place by the side of the proudest nations of the West. We have been under England's rule longer than forty years, and yet we continue to be mere hewers of wood and drawers of water in our own country, and of course we have no position anywhere else. My Lord, things cannot continue—they must not continue—much longer on so unsatisfactory a basis. Time and events will necessitate a change, and true statesmanship lies in an intelligent anticipation of that change. The present Prime Minister, speaking in November last on the subject of the Anglo-Japanese Alliance, observed as follows:—‘I am enough of an Imperialist, if this be Imperialism, to hold that the maintenance of the integrity of India is our affair and no one else's; and, if further measures of defence are necessary,—of which I have no assurance—the appeal should be to the loyalty of the people of India, and to our own capacity for organizing their defence. Is there not danger that the pride of the Indian people may be wounded, and the prestige of the Empire abased in the eyes of the world, by the provision by which Japan makes herself conjointly responsible for the defence of the Indian frontier?’ My Lord, this is true and far-sighted statesmanship, and my countrymen ask for

nothing more than that the military problem in India be dealt with in the spirit of this declaration of the Prime Minister. The measures needed are Short Service for the Indian Army, the creation of Indian Reserves, and the gradual extension—first to select classes of the community, and then, as confidence grows, to all, of the privilege of citizen-soldiership, so that they may be able, if the need ever arises, to bear arms in the defence of their own land. The Government may move as cautiously as may be necessary, but it is in this direction that it must move; and then the whole situation will be altered. Our military defence will then be gradually placed on a national basis, the Army will have the support of the nation behind it, the present military burden will be largely reduced, and funds set free to be devoted to other objects of national well-being, the people of the country, instead of being condemned, as at present, merely to pay the taxes and then helplessly look on, will be enabled to feel a real and living interest in their Army, and our position in the matter will cease to wound our self-respect. Now that all fear of any immediate aggression from outside has disappeared, a trial may be given to this policy, and I feel a profound conviction within me that England will have no cause to regret its results.

My Lord, I am free to confess that there is but little chance of any considerable change in the military policy of the Government of India being

made in the immediate future, and, if I have spoken at some length on the subject to-day, it is both because the character of our national existence is bound up with the question, and also because a special appeal for a reconsideration of the policy is justified at the present juncture. I have already said that the military expenditure overshadows the whole field of Indian finance, and it is a matter for further regret that even such slender resources as remain at the disposal of the Government of India after meeting the cost of the Army are not employed to the best advantage. My Lord, during the last eight years, the surpluses of the Government of India have amounted to no less a sum than 35 crores of rupees, and the whole of this money has been spent by the Government on Railways, in addition to the large amounts specially borrowed for the purpose! Now I do not wish to say anything against the construction of Railways as a commercial undertaking. Till recently they used to cost a net loss to the State every year, but that has now ceased; and there is no doubt that in future years they will bring a growing revenue to the Exchequer. To the construction of Railways on a commercial basis out of borrowed money I have therefore no objection, though even here the claims of irrigation to a larger share of the capital raised must be recognized better than they have been in the past. But I have the strongest possible objection to our *surpluses* being

devoted to Railway construction, when they are urgently needed for so many other objects vitally affecting the interests of the masses. My Lord, I submit that there should be some sense of proportion in this matter. Already a sum of 250 millions sterling has been spent on Railways. For many years, it was the height of the ambition of the Government of India to have in the country twenty thousand miles of Railways. The mileage open to traffic today is nearly twenty-nine thousand, and another two thousand is under construction. Are Railways everything, is mass education nothing, is improved sanitation nothing, that the Finance Minister should lay hands on every rupee that he can get either by borrowing or out of surpluses, and devote it to the construction of Railways only? Replying to my observations on this subject last year, the Hon'ble Member said :—' When a surplus actually accrues either from a fortunate windfall, or from sources the continuance of which is not assured, then, I think, no more advantageous use for it can be found than to devote it to the construction of remunerative public works.' Now, with all deference, I beg to say that the Hon'ble Member's proposition is an unsound one. The course adopted by the Government would be right, if there was no need of non-recurring expenditure in other directions, more intimately connected with the well-being of the mass of the people. But, with such urgent needs of the country as decent school-houses for pri-

mary schools, works of sanitary improvement beyond the capacities of local bodies, and so forth, unsatisfied, I submit it is not a justifiable course to employ the proceeds of taxation for purposes of remunerative investment. That the surpluses are uncertain does not affect my contention at all. Whenever they are available, they may be devoted to the objects I have mentioned. When they are not available, the position cannot be worse than it is at present.

My Lord, the surpluses of the last few years,—rendered possible by the artificial enhancement of the value of the rupee, and realized, first, by maintaining taxation at a higher level than was necessary in view of the appreciated rupee, and, secondly, by a systematic under-estimating of revenue and over-estimating of expenditure,—have produced their inevitable effect on the expenditure of the country. With such a plethora of money in the Exchequer of the State, the level of expenditure was bound to be pushed up in all directions. Economy came to be a despised word, and increased establishments and revised scales of pay and pension for the European officials became the order of the day. Some remissions of taxation were no doubt tardily granted, but the evil of an uncontrolled growth of expenditure in all directions in the name of increased efficiency was not checked and the legacy must now remain with us. The saddest part of the whole thing is that, in spite of this superabundance of money in the

Exchequer and the resultant growth of administrative expenditure, the most pressing needs of the country in regard to the moral and material advancement of the people have continued for the most part unattended to, and no advantage of the financial position has been taken to inaugurate comprehensive schemes of State action for improving the condition of the masses. Such State action is, in my humble opinion, the first duty now resting on the Government of India, and it will need all the money—recurring or non-recurring—that the Hon'ble Member can find for it. My Lord, the three evils to be combated in connection with the raiyat's position are his fearful poverty, his ignorance, and his insanitary surroundings. And I hope your Lordship will bear with me while I indicate very briefly the lines on which action is really needed.

(1) First come a group of three measures in connection with the land. They must really go together, if a substantial improvement is the object in view. Of these the first is a reduction of the State demand on land, especially in Bombay, Madras, and the United Provinces, and a limitation of that demand all over India. There is ample evidence to show that over the greater part of India—especially in the older Provinces—the agricultural industry is in a state of deep depression. The exhaustion of the soil is fast proceeding, the cropping is becoming more and more inferior, and the crop-yield per acre, already the lowest

in the world, is declining still further. And such a deterioration in agricultural conditions is accompanied by an increase in the land-revenue demand of the State! The raiyat staggers under the burden, but under the economic conditions prevailing, cannot help submitting to it. O' Conor, late Director-General of Statistics in India, speaking two years ago before the Society of Arts in London, and speaking with all his special knowledge of Indian agriculture, said :—' It is doubtful whether the efforts now being made to take the cultivator out of the hands of money-lenders will have much effect, or even, if they have the fullest effect, they will materially improve the cultivators's position until a larger share of the produce of the soil is left in his hands, and he is protected against enhanced assessment by Government officials and against enhanced rent by private landlords.' And again :—' I have little doubt that the reduction of the land-revenue by 25 or 30 per cent., if the reduction is secured to the profit of the cultivator, would be of far more value in the improvement of the class who constitute the bulk of the population, and who contribute most largely to the finances of the State.' The present system is having, and can have, but one effect. It tends to keep the one industry of the country in a hopelessly depressed condition, discouraging all expenditure of capital on land and rendering agricultural improvement an impossible hope. Whatever loss of revenue such a measure may cause

two years ago, will not go any long way in this direction. The communal spirit is now very weak over the greater part of India, and the unlimited liability principle, which the Act insists upon, will keep substantial men from these Societies, and any number of paupers brought together will have neither the cash nor the credit to help one another. If unlimited liability is removed and a portion of the Savings Banks deposits is made available to these Societies, they may do some useful work. But what the country really needs is the establishment of Agricultural Banks, like those which have been so successfully introduced into Egypt by Lord Cromer.

(4) Two other measures necessary for the promotion of agricultural prosperity in India, one of which has already received a good deal of attention at the hands of the Government, and the other has been recently taken up by it, are Irrigation and Scientific Agriculture. About Irrigation I would only like to ask why it is necessary to have the selected projects carried out departmentally, and why their execution cannot be entrusted, as in Egypt, to expert contractors, who would find and train the required labour, the Government exercising supervisional control only? I think, in this matter too, the Government of India may well take a leaf out of the book of that great administrator Lord Cromer. If this were done, far more rapid progress would be made in the matter of Irrigation.

As regards Scientific Agriculture, the country is watching with keen interest the steps which the Government is taking in the matter. I must, however, express one fear in this connection. If it is proposed to import European experts for the work as a standing arrangement, there will be small chance of any substantial good being done. The knowledge brought into the country by a succession of foreign experts, who retire to their own lands as soon as they have earned their pension, is like a cloud that hangs for a time overhead without descending in fertilizing showers, and then rolls away. Unless promising and carefully selected Indians are sent abroad to be trained and to take the places of the imported experts in due course, such expert knowledge will never become a part and parcel of the possession of the community. Of course, to begin with, a reliance on foreign experts is necessary, but care must be taken to make the arrangement only temporary.

(5) The promotion of industrial and technical education in the country is also an urgent necessity as a remedy for the extreme poverty of our people. This field has so far remained entirely neglected, with what results even the most superficial observer can see. The sum of $2\frac{1}{2}$ lakhs of rupees, provided in this year's Budget, is as nothing compared with what is needed. The country requires at least one large fully equipped

Technological Institute at some central place, with Branch Institutes in the different Provinces.

(6) I now come to the question of Primary Education. From Mr. Nathan's Report on Education, we find that, in 1901-2, the total expenditure on the primary education of boys in India from the funds of the State was the staggeringly small sum of 13½ lakhs! Since then the amount has been increased, but even so it remains most miserably inadequate, compared with the requirements of the situation. My Lord, the question of mass education in this country has been neglected much too long, and the Government must lose no more time in waking up to its responsibilities in the matter. What is needed is a clear aim, and a resolute pursuit of that aim in a feeling of faith and with enthusiasm for the cause. The first step is to make primary education free in all schools throughout the country, and that can be done at once. The total receipts from fees in primary schools throughout India in 1901-1902 were only 30½ lakhs of rupees, so the sacrifice will not be very great. Moreover, the larger Municipal Corporations might be asked to bear a portion of this loss, so far as their own areas are concerned. The next step will be to make this education compulsory for boys in the Presidency towns, and perhaps in a few other leading towns. When the minds of the people have been accustomed to the idea of compulsion in the matter of education, the area of compulsion may

be gradually extended, till at last, in the course of twenty years or so from now, we have in our midst a system of compulsory and free primary education throughout the country, and that for both boys and girls. It will not do to be deterred by the difficulties of the task. Our whole future depends upon its accomplishment, and as long as the Government continues listless in the matter, it will justly be open to the reproach of failing in one of its most sacred duties to the people.

(7) Lastly, there is the pressing need of works of sanitary improvement, such as good water supply and drainage. As I pointed out last year, most of our towns are simply powerless to undertake such costly works without substantial assistance from the State. With the ravages of the plague in all directions, and with the death-rate of the country steadily rising, the question of sanitary improvements assumes an importance which the Government cannot long ignore. The resources of our local bodies are barely sufficient for their current needs, and any large capital outlay is wholly beyond them. The present distribution of resources and responsibilities between local bodies and the central Government is most unfair to local bodies, and that is the explanation of the spectacle we have seen during the last few years, namely, that of the Exchequer of the Government overflowing with money, while these bodies have been in a state verging on

bankruptcy. It is necessary that the Government should formulate and announce a definite policy in this matter.

All these measures that I have briefly outlined will require a large expenditure of money—both recurring and non-recurring. But even as our resources stand at present, there is room for undertaking them all. Thus if the Army Re-organization scheme is held up, or at least its initial cost is met out of borrowings, a sum, from one to two millions a year, will be available, and that may be devoted to a vigorous extension of primary education. The profits of coinage—averaging now about two millions a year—may supply funds for the relief of agricultural indebtedness. The famine grant, which stands at a million sterling, may, after deducting the expenditure on actual famine relief, now be devoted to industrial and technical education. The deposits in Savings Banks may be made available to Co-operative Credit Societies. And whatever surpluses accrue may be devoted to assisting local bodies in the construction of works of sanitary improvement. At any rate an important beginning can be made in all these directions, only the spell, under which the official mind has been for so many years, must be broken.

My Lord, the improvement of the condition of the masses and the conciliation of the educated classes are the two really great problems before the British Government in India. The success or failure of England's

work in this country will be determined by the measure of her achievement in these two fields. I have already spoken of the work that must be taken forthwith in hand for the moral and material advancement of the mass of our people. The task is one of great magnitude, but it is comparatively a simple one. The question of the conciliation of the educated classes is vastly more difficult, and raises issues which will tax all the resources of British statesmanship. There is but one way in which this conciliation can be secured, and that is by associating these classes more and more with the government of their own country. This is the policy to which England stands committed by solemn pledges given in the past. This is also the policy which is rendered imperative by the growth of new ideas in the land. Moreover, my Lord, the whole East is today throbbing with a new impulse—vibrating with a new passion—and it is not to be expected that India alone should continue unaffected by changes that are in the very air around us. We could not remain outside this influence even if we would. We would not so remain if we could. I trust the Government will read aright the significance of the profound and far-reaching change which is taking place in the public opinion of the country. A volume of new feeling is gathering, which requires to be treated with care. New generations are rising up, whose notions of the character and ideals of British rule are derived only from their experience of

the last few years, and whose minds are not restrained by the thought of the great work which England has on the whole accomplished in the past in this land. I fully believe that it is in the power of the Government to give a turn to this feeling, which will make it a source of strength and not of weakness to the Empire. One thing, however, is clear. Such a result will not be achieved by any methods of repression. What the country needs at this moment above everything else is a Government, national in spirit, even though it may be foreign in personnel,—a Government that will enable us to feel that *our* interests are the first consideration with it, and that *our* wishes and opinions are to it a matter of some account. My Lord, I have ventured to make these observations, because the present situation fills me with great anxiety. I can only raise my humble voice by way of warning, by way of appeal. The rest lies on the knees of the gods.

BUDGET SPEECH, 1907.

[At a meeting of the Imperial Legislative Council, held on Wednesday the 27th March 1907, His Excellency Lord Minto presiding, the Hon. Mr. G. K. Gokhale made the following speech on the Financial Statement for 1907-08, presented by the Hon. Mr. E. N. Baker.]

My Lord, it is a matter of deep and sincere satisfaction to me that the Government has effected a further reduction in the duty on salt, which will now stand at the uniform rate of Re. 1 per maund both in India and in Burma. In view of the language employed by the present Secretary of State for India, in speaking of this impost last year, such action on the part of the Government has not been wholly unexpected. I only wish the Hon'ble Member had spoken of this reduction with more enthusiasm than he has done. I know my Hon'ble friend holds what may be called orthodox official views on this subject. The Council will remember that last year he told us, in his concluding remarks on the Budget, that he "never believed that the tax pressed with undue severity even on the poor." Again this year he says that "the salt-tax is the only contribution towards the public expenditure that is made by a large number of the people." Now the former statement is contradicted by the rapid rise in

the consumption of salt which has taken place in response to each successive lowering of the duty and which the Hon'ble Member himself describes as "remarkable." No one is ever likely to stint himself in regard to a prime necessary of life such as salt, unless driven to do so by sheer inability to buy the required quantity. No one, again, is likely to purchase more of it than he needs, simply because it is cheaper than it was before. And I think that the remarkable expansion of consumption that has taken place since the duty was first lowered in 1903—from $36\frac{1}{2}$ million maunds, the average for three years immediately preceding 1903, to $43\frac{1}{2}$ millions, which is the Hon'ble Member's cautious estimate for the coming year, an increase of nearly 20 per cent. in five years—is conclusive evidence of the fact that a high rate of duty entails serious privation and suffering to the poorer classes of the people. As regards the second statement of the Hon'ble Member, *viz.*, that the salt-tax is the only contribution which the poorer classes make to the Exchequer, with all deference I must dispute altogether the correctness of the contention. Why, my Lord, so far from this being the case, the fact is really the other way. I think there is no room for doubt that even now, after these successive reductions of salt duty, our poorer classes contribute, relatively to their resources, much more than their fair share to the revenues of the State. These classes consist almost

entirely of a broken and exhausted peasantry, without heart and without resource, and sunk hopelessly in a morass of indebtedness. It is from this peasantry that, over the greater part of India, the land revenue of the State is derived, and it is the same with Provincial rates. Then the bulk of the revenue from drink comes from these classes. The excise duty on cotton goods falls almost exclusively on them. Under Stamps and Registration they pay, certainly, their fair share, and probably more than their fair share, since the bulk of our litigation is about small amounts. Under Forests they have been deprived of their immemorial right to free grazing and free fuel, and the proceeds of these are the only burdensome part of forest receipts, the rest being fair value realized for timber and other products. Even under Customs, where their contribution is expected to be the least owing to their excessive poverty, the Hon'ble Member's predecessor, Sir Edward Law, once calculated that they paid between 20 and 25 per cent. The only tax from which they are altogether free is the income-tax, and the proceeds of this tax are comparatively small, being under $1\frac{1}{2}$ millions sterling a year. Now these, together with the salt-tax, of which the main burden is admittedly borne by them, and the Opium revenue, which is contributed by the foreign consumer, are our principal heads of revenue; and I repeat there is no justification for the assertion that

the salt-tax is the only contribution which the poorer classes in India make to the Exchequer of the State. It may be mentioned that Mr. O' Conor, late Director-General of Statistics, in a paper read by him three years ago, described the poorer section of Indian cultivators as a class that "contributed most largely to the finances of the State." My Lord, I have made these observations, not in a spirit of mere controversy, but because Mr. Morley's pronouncement of last year on the subject of the salt-tax encourages the hope that we may now look forward to the time when this tax may be done away with altogether, and this consummation is not likely to be forwarded, if the Hon'ble Member's views in the matter are allowed to pass unchallenged.

I am glad to see that my suggestion of last year that in the general statements of revenue and expenditure, the figures under Railways and Irrigation (Productive work) should be given net, has been met more than half way in this year's Statement, by the working expenses on Railways being brought over to the revenue side and deducted there from the gross Railway receipts. This is satisfactory as far as it goes, but it does not go far enough, and I think that the Hon'ble Member, having once begun this reform, must now complete it. He still leaves the interest on Railway debt where it was in the accounts. The result is that the figure of Railway revenue, and through it

that of our total revenue, continues to be unjustifiably swollen by the amount of this interest, which already stands at about 10 millions sterling and which will increase from year to year as the capital outlay on Railways advances. The Hon'ble Member observes in this connection :—" We have left the Interest on Railway debt in its original place : to have brought it over to the Revenue side of the account as a deduction from its gross-receipts would have necessitated a large *minus* entry in the column for revenue accruing in England." And such a *minus* entry the Hon'ble Member wishes to avoid, as it would be unintelligible to the ordinary reader. But there are *minus* entries in several other places in the Financial Statement, and if the ordinary reader does not mind them, I do not see why he should mind one more. And in any case it is better to be unintelligible than to be unscientific or misleading. Again, the Hon'ble Member has left the figures under Irrigation as they were before. He says :—" We have not thought it essential to go so far as the Hon'ble Mr. Gokhale suggested and to show the Irrigation revenue net. I quite admit that the same general principle applies to the Irrigation as to the Railway figures : but the former are not yet sufficiently large to cause any serious distortion of the true revenue and expenditure of India." But I would respectfully ask—why allow the figures of true revenue and expenditure to be thus distorted at all ?

Moreover, it introduces a new element of confusion if Railway receipts and Irrigation receipts, which are both exactly in the same position, are treated in the accounts in two different ways. In these matters it will not do to alter the prescribed forms repeatedly, as that must make a correct comparative view of the financial position over series of years extremely difficult. And, therefore, now that the Hon'ble Member has already taken in hand this reform, I earnestly hope that he will not stop half way but will proceed to the end, and place the matter once for all on a proper scientific basis.

Another suggestion which I had ventured to make last year was with reference to the separation of Local revenue and expenditure from Provincial and Imperial. In his reply the Hon'ble Member had stated that he himself was in favour of the proposal, as the balance of advantage lay in favour of making the suggested change, and that the matter was under consideration. I am, therefore, disappointed to find that the old practice is still there, and that there is no indication in the Financial Statement as to what has been the decision of the Government in the matter. The present practice is responsible for a good deal of unnecessary and avoidable misapprehension. Especially is this the case with reference to educational expenditure. Thus, in the Financial Statement we are told that the

educational expenditure for next year will be 2 millions sterling. I understand that out of this about £800,000 will be Local. But there is nothing in the Statement to show this, and one is apt to imagine that the whole amount of 2 millions will come from Imperial and Provincial revenues. Last year Mr. O'Grady, a prominent member of the Labour party, made an inquiry in the House of Commons as to the amount spent in India from the Indian Exchequer on Elementary Education. The Secretary of State's reply, instead of stating the amount spent from Imperial and Provincial revenues—which for 1904-1905 was, according to a return laid by the Home Member on the table of this Council the other day, only £160,000,—gave the figure of expenditure from "Public funds," which necessarily was much larger. Mr. O'Grady, not being satisfied with the answer, put, after a few days, another question asking the Secretary of State to specify how much of that total expenditure from Public funds came from Provincial and Imperial revenues. The reply to this was that the Secretary of State was not in a position to state the amount, but that he would make inquiries! Now, my Lord, this is not at all a satisfactory state of things. Surely the accounts of the Government of India ought to show what is the State expenditure on Education apart from Local expenditure. I earnestly trust, therefore, that the suggested separation, which the Hon'ble Member himself regards

with favour, will soon be carried out and that the Financial Statement for next year will not be open to criticism on this account.

Coming now to larger questions, I find that I must renew my earnest and emphatic protest against the manner in which our surpluses still continue to be expended as capital outlay on Railway construction. My Lord, I have spoken repeatedly on this subject in previous years, but I feel the injustice of the present arrangement so strongly that I must ask the Council to bear with me while I urge once again, as briefly as I can, my reasons why a change of policy is immediately called for in this matter. This is the ninth successive year when a substantial surplus of revenue over expenditure has been realized, and it is clear that the era of surpluses has not yet come to an end. The total of these surpluses during these nine years stands at the high figure of 37 crores of rupees, or about 25 millions sterling, and nearly the whole of this amount has been spent as capital on Railways. Now a surplus is so much more money taken from the people, either through miscalculation or in other ways, than was needed for the requirements of the Government. And, as it is not possible to return this money to the taxpayers in a direct form, what the Government is bound to do with it is to apply it to purposes which are most calculated to benefit the mass of the people. And the question that we must consider is this—what is

the most urgent need of the mass of our people at the present day? Judging from the manner in which the surpluses are applied year after year to Railway construction, one would conclude that, in the opinion of the Government, what the people needed most was a vigorous extension of Railway facilities. Now, my Lord, I respectfully submit that such a view of the situation is not justified by the circumstances of the country. The claims, for instance, of Sanitation on the attention of the Government are at the present day infinitely stronger and more urgent than those of Railway construction. Already an enormous sum—no less than 400 crores, or 260 millions sterling—has been spent on Railways in India, while next to nothing has so far been expended on the construction of sanitary works. With so many towns in the country decimated by plague year after year, with cholera and malaria committing their havoc in other parts, with the death-rate of the country as high as 35 per thousand and as against 16 per thousand in England, I do not see how the Government can continue to leave Sanitation practically to take care of itself. Let the Council consider what difference it would have made to the country, if the surpluses of the last nine years—37 crores of rupees—had been devoted to sanitary works instead of to Railway construction! My Lord, we all know that, by spending the surpluses as capital on Railways, the Government is able, in the final adjust-

ment, to reduce by a corresponding amount the unproductive debt of the country. And it may be contended that, though the surpluses are in the first instance devoted to Railway construction, they are in the end virtually utilised for the reduction of debt. My answer to this is that our debt, by which I mean the unproductive debt of the country—for that is the only real debt—is so small in amount that its further reduction is not an object of much importance. Taking the year 1904-05, we find that this debt then stood at the figure of 60 millions sterling. The “other obligations” of the Government of India, such as Savings Banks deposits, Service funds, and so forth, amounted in that year to 17 millions. Against this there were cash balances in the Treasuries, here and in England, amounting to 21 millions, and the loans and advances by the Government stood at 12 millions. Our net debt thus is about 44 millions sterling, or less than two-thirds of a year’s revenue. This is almost a paltry figure, compared with the huge debts of European countries, and the position may no doubt be regarded with satisfaction. But it must not be forgotten that such a result has been rendered possible only by throwing on current revenues for a quarter of a century the burden of all manner of extraordinary charges, which in other countries are usually met out of loan funds. The further reduction of this small debt, therefore, is not a matter of urgency and can well

wait, when the money devoted to it may be far better employed in saving the lives of the people. My Lord, it will not do for the Government to say that sanitation is the concern of Local Bodies and it is for them to find the money required to improve it. Most of our towns are extremely poor and the present distribution of the resources between the Government and the Local Bodies is of a most unsatisfactory character. How unsatisfactory it is may be judged from the fact that, while there has been a plethora of money in the Government Exchequer for the last nine years, most of our Local Bodies have all the time been struggling with serious financial difficulties and some of them have been in a state not far removed from bankruptcy. Without substantial assistance, therefore, from the Government in meeting the large capital outlay which modern sanitary works require; Local Bodies will never be able to grapple with the problem of improved sanitation : and to my mind there can be no more desirable object on which the Government might expend its surpluses. The Supreme Government should call upon the Provincial Governments to assist sanitary projects liberally out of their own ordinary revenues, and whenever a surplus is realized, it should, as a rule, be placed at the disposal of Provincial Governments for pushing on the construction of sanitary works. I know there is the standing pressure of the European Mercantile Community to expend every

available rupee on Railways, and these men are powerful both in this country and in England. But, my Lord, the Government must resist this pressure in larger interests, so far at any rate as the surpluses are concerned. Time was, not long ago, when the Government never thought of spending more than four or five crores a year on Railways. And ten years ago Sir James Westland protested sharply against the manner in which programme after programme of Railway construction was being pressed on him in breathless succession. It is true that in those days the Railways were worked at a net annual loss to the State, and that in that respect the position has now undergone a change. Still $13\frac{1}{2}$ crores is a very large amount to spend in any one year on Railways, and yet the Hon'ble Member has thought it necessary to be apologetic in making the announcement! My lord, I have no objection to the Government using its borrowing powers as freely as possible to push on Railways, which now rest on a sound commercial basis. But it seems to me most unfair that the loans thus raised should be supplemented by the proceeds of taxation. Moreover, judging from certain observations made by the Hon'ble Member last year, I believe that another resource, and that a large one, will probably be soon made available for Railway construction, and that will be a strong additional ground for devoting surpluses in future years to the improvement of sanitation.

This resource is the profit now annually realized by the State from the coinage of rupees. For the current year it has amounted to the large sum of 4 millions sterling or 6 crores of rupees. Last year it was nearly as large, being $3\frac{2}{3}$ millions sterling or $5\frac{1}{2}$ crores. Hitherto these profits have been allowed to accumulate at compound interest, and this Fund, which will in future be known by the name of Gold Standard Fund, stands at present at over 16 millions sterling. I think, my Lord, the public has a right to ask that the Government should now state definitely what limit they propose to assign to this fund, and how the profits from coinage will be dealt with when that limit is reached. This is necessary in view of the fact that the statements hitherto made on this subject by those in authority have been more or less vague, and, in some respects, even conflicting. Sometimes the purpose of the fund has been stated to be merely the ensuring of the stability of exchange, and sometimes the much more ambitious purpose of preparing for a gold currency has been avowed. When the fund was first constituted in 1900, it was in accordance with a recommendation of the Fowler Committee of 1898—a recommendation which had been made with a view to the maintenance of a stable exchange. In 1901-02 Sir Edward Law, in speaking of the Reserve, leaned to the view that it would serve as “a guarantee for the conversion into gold, if required, of the Rupee token coinage.” Lord

Curzon, however, merely described it as a means of maintaining the exchange value of the rupee at 1s. 4d. In 1902-03 Sir Edward Law again referred to this Fund, and this time he also stated its purpose to be the maintaining of a stable exchange. In 1904 Lord Curzon reaffirmed the same view. In 1905 the Hon'ble Mr. Baker also gave this view prominence in his statement. Last year, however, the Hon'ble Member pushed the other and more ambitious view to the front and spoke of the time when the rupees would have to be converted into sovereigns. Again, as regards the amount that is required for ensuring stability of exchange, different statements have been made by different authorities. Lord Curzon said that 10 millions sterling would suffice for the purpose. Sir Edward Law put the limit at 20 millions. The Hon'ble Mr. Baker has put it still higher. In 1905 the Hon'ble Member said :—" I should like to see it (the fund) raised to such a figure as would enable us, in the event of extreme and continued emergency, to reduce the Secretary of State's drawings by one-half for three years in succession, *i.e.*, to something between 20 to 30 millions sterling." Now, my Lord, all this is somewhat confusing, and the Hon'ble Member will recognize the necessity of making a full and definite statement of the intentions of the Government both as regards the purpose which the Fund is to serve and the limit up to which it is to grow. This is the more

necessary because the Fund was created under mere executive sanction without having recourse to the authority of the Legislature, and also because the annual profits from coinage are now far larger than had been anticipated. I think the Government ought to adhere to the idea of the fund merely serving as a guarantee for the maintenance of a stable exchange. In that case, even the high limit contemplated by the Hon'ble Member would soon be reached and the profits from coinage—a matter now of five or six crores a year—would be available before long to be employed more usefully than at present. On the other hand, if the more ambitious purpose avowed by the Hon'ble Member last year is to determine the policy of the Government, no limit can be foreseen to the accumulation of the Fund. Such a course, in my humble opinion, would not be justified, and I would venture to urge the following objections against it:—

- (a) That a gold currency for India has never been authoritatively proposed as a definite object to be attained. A stable exchange at a reasonable rate is all that successive authorities have sought to ensure.
- (b) That it is wrong to pile up a huge gold reserve in pursuit of an object never proposed, or defined, or even regarded as attainable within a measurable distance of time.

- (c) That it is looking too far ahead into the future to anticipate the introduction of a gold currency into India.
- (d) The present margin between the value of bullion and the token value of the coin will not suffice to ensure the conversion of rupees into gold, for the moment demonetization is proposed, silver will be depreciated still further.
- (e) Even on the Hon'ble Member's assumption the Reserve can suffice only for the conversion of rupees coined since 1900. The stock of rupee coin of previous years—estimated at about 130 crores by Mr. Harrison, the Expert—will not be covered by it.

I trust the Hon'ble Member will set all doubts in the public mind at rest by making a definite announcement of the intentions of the Government in the matter, if not in the course of this debate, at any rate in the Financial Statement of next year.

My Lord, besides the reduction of the salt-tax, there are four other interesting and gratifying features in this year's budget. They are the new arrangement for meeting Provincial Famine expenditure, the prospect of an abolition of the Opium traffic, the reduction by half a million sterling of the special annual grant for Army Reorganization and the announcement made on the subject of Free Primary Education. Of these

the first does not require more than a passing reference. I think the scheme outlined by the Hon'ble Member is an equitable one and ought to work well in practice. I only hope that the commendable liberality with which the Imperial Government has treated Provincial Governments in this matter will be extended by the latter in their turn to Local Bodies, and that these Bodies, whose resources, even in prosperous years, are meagre and inelastic, will now be relieved of all responsibility for famine relief altogether. This responsibility was thrust on them when the Government of India itself had to struggle, owing to falling Exchange and other difficulties, with a state of chronic deficits. Now, however, that the very tradition of a deficit has been forgotten, no time should be lost in definitely freeing Local Bodies from a burden which should never have been imposed on them.

My Lord, I have read with sincere pleasure the important statement which the Honourable Member has made on the subject of the Opium revenue, coupled as it is with a reduction in the area under cultivation for the ensuing year. I confess I have always felt a sense of deep humiliation at the thought of this revenue, derived as it is practically from the degradation and moral ruin of the people of China. And I rejoice that there are indications of a time coming when this stain will no longer rest on us. I have no wish to go to-day into the historical part of this melan-

choly business. The Secretary of State admitted freely in his speech last year on this subject that there were few things which Englishmen had reason to regard with less pride than this. The only practical question now is, how to put an end to this morally indefensible traffic with the least derangement in our finances? It has been suggested in some quarters that the British Exchequer should make a grant to India to compensate her for the loss of revenue which would be entailed by the extinction of this traffic. Now, apart from the fact that there is not the slightest chance of England making such a grant, I think the proposal is in itself an unfair one and ought to be strongly deprecated. No doubt there are important questions like the Army expenditure, in regard to which India has to bear serious financial injustice at the hands of England. Then the cost of the civil administration ought to be substantially reduced by a large substitution of the Indian for the European agency in the public service. And if only justice were done to us in these matters, we could let the whole Opium revenue go at once and yet not feel the loss. But these questions have to be fought on their own merits and they must not be mixed up with this Opium question. So far as the Opium revenue is concerned, whatever may be the measure of England's responsibility in forcing the drug on China, the financial gain from the traffic has been derived by India alone, and we must, therefore, be

prepared to give up this unholy gain without any compensation from anybody—for that would be only another name for charity—when in the interests of humanity this wretched traffic has got to be abolished. Of course we have a right to urge, and we should urge, that we must be allowed to spread our loss over a certain number of years—say ten years—so that our finances should not be suddenly disorganised. That would be a fair position to take up, and we should have there the support of all right-minded people. But the traffic itself must go, and we must cheerfully co-operate in any reasonable scheme for its final extinction.

My Lord, I am glad to see that the special grant of over two millions a year for the Army Reorganization scheme has been reduced this year by half a million sterling. Considering that the money comes out of the iron grip of His Excellency the Commander-in-Chief, I think we have reason to feel thankful even for this small reduction. Of course since the total initial outlay on the scheme is a fixed sum, this reduced grant only means that the execution will be spread over a longer period than the five years originally contemplated. Still it sets free for purposes of internal improvement a sum of half a million sterling a year out of current revenues. The Hon'ble Mr. Baker describes the circumstances which have led to this reduction in the following words :—"The present

political situation and the reduced receipts we anticipate from Opium have led us to reduce the normal grant to £1,666,700 during the coming year." I am glad to see the reference to the 'present political situation' by which the Hon'ble Member no doubt means the improved aspect of affairs on the North-West Frontier. This is partially endorsing the view of those who have objected to the carrying out of His Excellency's scheme on the ground that it added largely to the burdens of the people at a time when, in view of the improvement that had taken place in the position of things, they were entitled to substantial relief. My other objection to the scheme was on account of its throwing on current revenues a heavy extraordinary charge which should have been met out of borrowings. The surpluses of the last nine-years were more than sufficient to meet this non-recurring charge twice over, and as they had been for the most part employed in a way which eventually resulted in a reduction of our debt, it was only an act of bare justice to the tax-payers that this heavy non-recurring charge, instead of being spread over a number of years and thrown on current revenues, should have been met out of loan funds. However, I see in the papers that Mr. Morley has finally accepted the scheme. That being so, I fear no useful purpose is likely to be served by my continuing the controversy in this Council. I only trust that the view which, I

understand, is held by the Government that the scheme will in the end make for economy will be found to be justified, when the time for judging of its correctness arrives. Meanwhile as there is still much vagueness in the public mind about the nature and scope of the scheme, may I respectfully suggest to His Excellency that it will help to clear away unnecessary misapprehensions, if he will see his way to make an authoritative statement on the subject—as far, of course, as a public statement can be made in a matter of this kind?

My Lord, the military problem in India may be looked at from four points of view. There is first of all the standpoint of the military expert—the soldier—whose principal idea is to raise the efficiency of the Army to as high a state of perfection as possible, and who wants to take for this purpose all the money he can get. Then there is the standpoint of the average Englishman, who wants to feel safe about India and who is comparatively indifferent as to what burdens are imposed on the people of this country in order that he may feel so safe. That is the way the ordinary member of Parliament looks at this question. Thirdly, there is the standpoint of the Indians themselves—those who have to bear the burden, but have hardly any share in the privileges of the present arrangement. Lastly, there is a standpoint which in a way comprehends or should comprehend all these three, though not necessarily in the same degree, and

210 THE IMPERIAL LEGISLATIVE COUNCIL.

that is the standpoint of the Government of India. Now, my Lord, when we, the Indian members of this Council, speak at this table on this question, we necessarily approach it from the Indian point of view. It is to express that view that we are here, and though we know that our voice is weak and that what we say is not likely for a long time yet to influence the practical decisions of the Government, that does not absolve us from what is after all our duty to ourselves in the matter. We should be guilty of presumption if we extended our remarks to technical details relating to the Army, on which we are not qualified to express an opinion. But there are certain broad questions of policy—also questions connected with the progress of humanity—which all men of average intelligence may claim to understand and discuss. My Lord, I do not believe that any serious war cloud is likely to appear on our horizon in the near future. I am fortified in this opinion by the high authority of Mr. Balfour and Mr. Haldane. The triumph of Japan in the late war and the gradual waking up of China and even of Persia—these, if not the overthrow and exhaustion of Russia, are bound to discourage European aggression in Asia for many years to come. Moreover, wars between the great Powers of Europe—and the only war that can touch us is one between England and Russia—are daily growing less and less likely. A comparison of the history of Europe in the 19th century with that

in the 18th will show in what direction things have been moving. And the 20th century is bound to be even better than the 19th. The people in Europe are no longer mere pawns on the chess-board of Kings and Ministers. And they are realizing more and more what horrors a war means to them. I think, therefore, that India may well ask to be relieved now of a part of her present Army expenditure. Further, the injustice of the present arrangement, whereby a disproportionate share of the cost of military defence of the whole Empire is thrown on her, must be remedied. Then the status of the Indian officers in the Army, which at present is admittedly most unsatisfactory must be improved, and higher careers thrown open to them. Lastly, the wrong inflicted on all classes of the Indian community indiscriminately by keeping them compulsorily disarmed—thereby slowly crushing all manhood out of a whole race—must be cautiously but steadily set right. My Lord, I have spoken time after time on these subjects in this Council, and last year His Excellency the Commander-in-Chief, with perhaps a touch of impatience, observed that he had heard my arguments and assertions every year for three years. But, my Lord, is it *my* fault that these things have to be pressed again and again on the attention of the Government? If His Excellency would like to hear less of these complaints, the remedy lies to a certain extent in his own hands. A way must be found out

of the present situation, which is no doubt difficult and delicate, but which must not be allowed to continue as it is, simply because it is difficult and delicate. Otherwise His Excellency may raise the Army to the highest pitch of efficiency, and yet he will have left the larger military problem in India as unsolved as ever.

I now come to what is in some respects the most gratifying feature of the present budget—I mean the statement which the Hon'ble Member makes on the subject of Free Primary Education. The statement is brief, but it says enough to indicate clearly the resolute purpose that lies behind it. My Lord, the whole country has reason to feel grateful to your Lordship's Government for taking up this question in this earnest spirit. The circular letter of November last and this paragraph in the Financial Statement, taken together, leave no doubt in my mind that before the budget for next year is presented, primary education will have been made free throughout India; for I cannot imagine any Local Government standing in the way of the adoption of this measure, since the Government of India is going to find all the money required for it. I am sure we owe much in this matter to the Hon'ble Mr. Baker's active support of the cause. I cannot help recalling that last year when this question was raised in this Council, my Hon'ble friend expressed his sympathy with the proposal in most cordial terms. "I have," he said, "the keenest sympathy with every

one of the objects on which the Hon'ble Member desires to see public money expended. In particular, I am greatly interested in his proposal for making primary education free with the intention of ultimately making it compulsory. I hope and believe that some great scheme of this nature will eventually be carried into execution." This was in marked contrast to the reception which the appeal met with at the hands of another member of Government, who, by what must now be described as an irony of fate, then presided over our Education Department and who was therefore the responsible spokesman on behalf of the Government on the subject. Sir Arundel Arundel expressed himself in the matter thus:—"I understand the Hon'ble Mr. Gokhale to advocate universal free primary education throughout India. That would be a large order." And the utmost that he could bring himself to promise was that the aspiration for free primary education would be "kept in view as the distant peak to be one day attained while the work of the present must be slow progress along the plain." What was, however, 'a large order' in March became a very reasonable order in November, so reasonable indeed that the circular letter addressed to Local Governments on the subject showed unequivocally that the Government of India had already made up its mind to adopt the measure. The incident serves only to emphasise the necessity of entrusting the

Educational portfolio to such members as feel some enthusiasm for the subject. My Lord, now that the Government has advanced as far as free primary education, I earnestly trust that no long interval will be allowed to elapse before the next step is taken, *viz.*, that of making a beginning in the direction of compulsory education. If His Highness the Gaekwar of Baroda has found it practicable to make primary education compulsory in his State, I cannot understand why the British Government should not be able to overcome the difficulties that lie in its path. The best plan, as I urged last year, would be to confer powers, in the first instance, on Municipal Corporations, in cities with a population of, say, a hundred thousand and over, to introduce compulsion for boys within their areas, the Government of India finding the funds required. The area of compulsion may then gradually be extended, till at last in twenty years or so, primary education should be compulsory in the country for both boys and girls. My Lord, we are already so far behind other civilized nations in this matter that no further time should be lost in making such a beginning. As an eminent German Professor points out, no real economic or social development of a people is possible without the education of the masses. Such education is "the foundation and necessary antecedent of increased economic activity in all branches of national production, in

agriculture, small industries, manufactures and commerce ;" it leads to a more equal distribution of the proceeds of labour ; and it ensures a higher level of intelligence and a larger capacity for achieving social advance among the people. It is impossible to over-estimate the importance of this question in the present state of India.

My Lord, I have so far dealt with various questions arising out of the Financial Statement which the Hon'ble Member has laid before the Council. The question, however, that, in my humble opinion, transcends all others in importance at this moment is how to associate the people of this country with the administration of their own affairs, so that their growing estrangement may be prevented, and, while their self-respect is satisfied on one side, the bond between them and the Empire may be strengthened on the other. The Englishman who imagines that India can be governed much longer on the same lines as in the past, and the Indian who thinks that he must seek a destiny for his country outside this Empire, of which now, for better, for worse, we are a part—both alike show an inadequate appreciation of the realities of the present situation. The main difficulty in regard to this association arises from the fact that the Government of this country is really in the hands of the Civil Service, which is practically a caste, with all the exclusiveness and love of monopoly that characterise

castes. My Lord, I am speaking in the presence of so many distinguished members of that Service, and I respectfully trust I shall not be considered guilty of rudeness in making these observations. These men, who give on the whole a high average of work, and who moreover feel conscious that they are doing their best, are naturally satisfied with their position, and they expect us to be satisfied with ours. And as they happen to be practically the sole advisers of both the Viceroy and the Secretary of State, no reform which they do not approve has, as a rule, any chance of being adopted. Of course there are exceptions, but I am speaking now of the Service as a class. In a general way they seem to recognize that some advance is now necessary, but when you come to a discussion of different measures of reform, a majority, though not necessarily composed each time of the same individuals, is to be found arrayed against every reform that may be proposed. Thus if it is urged that judicial and executive functions should now be separated, you will be told that that will not do as that will weaken the executive power. If you say that the Viceroy and the Secretary of State should have among their official advisers one or two Indian gentlemen, the suggestion is resisted on the ground that the confidential character of the deliberations in the two Councils will no longer be assured. If you propose that the Legislative Councils should be expanded and improved and they should

be entrusted with some degree of power to exercise a check over the financial and general administration of the country, the objection is raised that such a reform will strike at the root of the very constitution of the Government, which, as the Secretary of State said last year, must continue for as long as one can see autocratic and personal. If the reform suggested is that Municipal and Local Boards should now be made purely non-official bodies, freed from all immediate official control, the answer will be that Local Self-Government touches intimately the interests of the mass of the people, and you cannot allow its efficiency to be lowered. And thus we move round and round the fortress of official conservatism and bureaucratic reluctance to part with power without being able to effect a breach at any point. My Lord, this kind of thing has now gone on for many years, with the result that the attitude of the public mind towards the Government—‘opinion,’ as Burke calls it, is of greater importance than laws or executive power in maintaining order—has undergone a steady and, of late years, even a rapid change. Since last year, the impression has prevailed that the Government has at last decided to move forward and that important concessions are contemplated. I earnestly trust that this impression is well-founded. I trust also that the proposed reforms, when announced, will be found to be substantial and conceived in a generous spirit. My

Lord, it is of importance that there should be no unnecessary delay in this matter. The public mind is in a state of great tension, and unless the concessions are promptly announced and steps taken to give immediate effect to them, they will, I fear, lose half their efficacy and all their grace. The situation is an anxious—almost critical one, and unless the highest statesmanship inspires the counsels of the Government, difficulties threaten to arise of which no man can foresee the end.

BUDGET SPEECH, 1908.

[At a meeting of the Imperial Legislative Council held on Friday, the 27th March, His Excellency Lord Minto presiding, the Hon. Mr. G. K. Gokhale made the following speech on the Financial Statement for 1908-09 presented by the Hon. Mr. E. N. Baker:—]

“My Lord,—I confess it was with a sense akin to relief that I read the opening paragraphs of the statement which the Hon’ble Member has laid before the Council this year. Direct expenditure on famine relief is a fair test of the extent and intensity of a famine. And, judged by this test, the calamity that has overtaken the country again this year, though undoubtedly very great, is still not so appalling as the famines of 1877 or 1897 or 1900. The famine of 1877 cost the State, for purposes of direct relief, a sum of $7\frac{1}{2}$ crores of rupees; that of 1897 also cost nearly $7\frac{1}{2}$ crores; while in 1900 the amount expended exceeded $9\frac{1}{4}$ crores. Compared with these figures, one feels thankful that this year’s famine will not require more than two crores for direct relief. Of course, this is on the assumption that the next rainfall will be normal, and for the present one can only hope that it will be normal. Meanwhile, it is a pleasure to acknowledge the manner in which the Government is endeavouring to meet the

distress everywhere. By far the largest area affected is in the United Provinces, and these Provinces are fortunate in their present ruler. I am sure Sir John Hewett's famine administration will be remembered as gratefully as that of Sir Antony MacDonnell in the same Provinces in 1897, and of Sir Andrew Fraser in the Central Provinces in 1900.

"I am not sure that the Hon'ble Member is quite correct when he says that the financial position of this year is stronger than that in 1900-1901. It is true that Mr. Clinton Dawkins had budgeted in 1900-1901 for only a small surplus of £160,000, while the Hon'ble Member estimates the surplus for the coming year at £571,500. But, in the first place, Mr. Clinton Dawkins had closed the year 1899-1900 with a surplus of over 4 crores of rupees, after finding over three crores for famine relief in that year, whereas the Hon'ble Member who has been called upon to find during the current year not more than 77 lakhs for famine relief, closes the year with a surplus of 35 lakhs only. Even this surplus of 35 lakhs is more apparent than real. It is a surplus in the accounts of the Government of India. But as the Provincial Governments have during the year depleted their balances by about $1\frac{1}{2}$ crores, the net result of the year's revenue and expenditure transactions for the country as a whole is a deficit of about 115 lakhs and not a surplus of 35 lakhs. Again, though Mr. Clinton Dawkins had

estimated the surplus for 1900-01 at about 24 lakhs, the actual surplus realised at the end of the year turned out to be over $2\frac{1}{2}$ crores, or ten times the modest figure budgeted for, and this after spending over $6\frac{1}{4}$ crores on famine relief. On the other hand, the Hon'ble Member provides only 130 lakhs for famine relief during the coming year and he budgets for a surplus of 85 lakhs, against which we have a further depletion of cash balances by Provincial Governments to the extent of 79 lakhs. This does not show that the financial position to-day is stronger than it was eight years ago. Of course, the level of taxation has been lowered since 1900, but that does not alter the real character of the comparison.

“There is one observation of the Hon'ble Member on the subject of this year's famine to which I deem it necessary to take strong exception. The Hon'ble Member points out that the number of those who are in receipt of State relief this year is smaller than on the last two occasions, and he regards it as a reasonable conclusion that this is partly due ‘to the greater resisting powers of the people.’ Now, My Lord, I think the facts which the Hon'ble Member himself mentions in his statement,—*viz.*, that the failure of crops has been less extensive and less complete this time than in 1897 or 1900, and that takavi advances have been made far more liberally and far more promptly than before—are in themselves quite suffi-

cient to explain the difference in the number of applicants for State relief. Considering the extent of the area affected, the depth of the distress caused, and other circumstances of this year's famine, I venture to think that one and a half millions is not at all a small number to be in receipt of State relief at this time of the year. I can assure the Hon'ble Member that no one will be better pleased than myself if the Government of India will order a regular and careful enquiry into the condition of a few typical villages so as to ascertain whether 'the resisting powers of the people' are increasing or diminishing. The Famine Union in London has been demanding such an enquiry for a number of years and not a few distinguished names in England have associated themselves with this demand. But the Government of India, for reasons best known to itself, shrinks from such an investigation. That being so, I think the Honourable Member is not entitled to deduce such a conclusion from such slender premises in so important a matter. The Famine Commission of 1898 tried, in the course of their enquiries, to collect some evidence on this subject. And their conclusion, which, I think, still holds good, is worth quoting. After referring to certain classes whose condition, in the opinion of the Commission, had probably improved, they observe :—

Beyond these classes, there always has existed, and there still does exist, a low section of the community living a hand-to-mouth

existence, with a low standard of comfort and abnormally sensitive to the effects of inferior harvests and calamities of season. This section is very large and includes the great class of day labourers and the least skilled of the artisans. So far as we have been able to form a general opinion upon a difficult question from the evidence we have heard and the statistics placed before us, the wages of these people have not risen in the last twenty years in due proportion to the rise in prices of their necessities of life. The experience of the recent famine fails to suggest that this section of the community has shown any larger command of resources or any increased power of resistance. Far from contracting, it seems to be gradually widening, particularly in the more congested districts. Its sensitiveness or liability to succumb instead of diminishing, is possibly becoming more accentuated, as larger and more powerful forces supervene and make their effects felt where formerly the result was determined by purely local conditions.

As regards small cultivators, who, after this class, suffer most from famine, I do not believe they have as yet had time to recover from the terrible effects of recent famines. It should be remembered that the losses of the peasantry during the last two famines in crops and cattle have been estimated at 300 crores of rupaes. In Bombay, during the last 12 years, only two years have been free from any expenditure on direct famine relief. The Central Provinces have fared almost as badly. In the United Provinces the present famine comes after only a year's respite to the people, as the year before last was also a year of famine. In Bengal, too, the seasons latterly have not been very favourable. Then over the greater part of the area

affected by recent famines, the ravages of plague have been added and these ravages have meant not only a frightful loss of life, with vast mental anxiety and suffering, but also heavy losses of resources to the poorer classes, whose daily life, wherever the plague rages, is disorganised from 4 to 6 months every year. It is true that certain sections of the community—those engaged in textile industries, for instance,—have recently had a brief spell of prosperity and the newly awakened enthusiasm for industrial development in the country has also had a beneficial effect. But this, I fear, has not made any difference to the bulk of those who go down the precipice at the first touch of famine—barring probably weavers, mill-hands and other workers in factories, and certain classes of small artisans.

“My Lord, the high prices which have been ruling in the country for some time past, independently of the present famine, and which have caused acute and widespread suffering, have naturally attracted general attention, and I was glad to hear the Hon’ble Mr. Miller state the other day in reply to a question by my friend Mr. Chitnavis, that the Government was considering the advisability of referring the whole question to a Committee for inquiry. I earnestly trust that a strong Committee will be appointed and that as early as may be practicable; for apart from the distress which high prices must cause to those whose incomes do not rise with the rise in prices, the

situation suggests certain disquieting considerations, which require a close and careful examination. It seems to me, My Lord, that the phenomenally heavy coinage of new rupees during the last few years by the Government has something to do with this general rise in prices. Really speaking, the artificial appreciation of the rupee by the currency legislation of the Government should have brought about, after things had time to adjust themselves on the new basis, a general fall in prices in this country. In the first few years after the closing of the mints to the free coinage of silver, this tendency was counteracted by a succession of famines and scarcities, and probably in a smaller measure by hoarded rupees having come into circulation. Latterly the general rise, which has taken place in the gold prices of commodities all over the world, has no doubt helped to raise prices in India. But this can account for only a part of the rise that has taken place in this country, and we must look for other causes to explain fully the extraordinary phenomenon we have been witnessing for some time past. I think some light is thrown on the problem by an examination of our coinage statistics. The following figures give the annual average of rupees coined, *minus* old rupees recoined by the Government of India, for each decade from 1834 to 1893, when the mints were closed to the free coinage of silver, and for the years following the passing of the Act of 1899,

when coinage operations on a large scale were again resumed. The period from 1894 to 1899 is omitted because, during the first three years of that period, no new rupees were coined at all, and during the next three a very small number—only about two crores in all—was coined.

| Period (annual average for). | Crores. |
|------------------------------|---------|
| 1835—44 | 2·2 |
| 1845—54 | 2·4 |
| 1855—64 | 8·2 |
| 1865—74 | 4·8 |
| 1875—84 | 6 |
| 1885—93 | 8·3 |
| 1900—1904 | 8·3 |
| 1905—1907 | 20·7 |

“I have not been able to obtain the figures of rupees recoined during the last period, *i.e.*, from 1905 to 1907. I do not think, however, that these figures have been large and the deduction to be made on their account from the average will not, I believe, be substantial.

“Prior to 1893, the melting back of rupees into silver by those who needed silver prevailed on a large scale in the country, and it has been estimated that about 3 crores of rupees must have been so melted annually. Since the currency legislation of 1893, this melting has had to cease, owing to the great difference between the token value and the intrinsic value of the rupee. The stock of rupees in existence

in India before 1898 was estimated by Mr. Harrison, the expert, at 130 crores. During the last ten years, the Government has made a net addition to this stock of over 100 crores. It seems to me that such a sudden inflation of the country's currency is bound to result in a general rise of prices. It may be said that, in view of the great expansion of trade during the last few years and of the increased industrial activity of the country, such augmentation of the currency was necessary. A reference to trade returns, however, does not support this view. During the 20 years preceding the closing of the mints, our exports of merchandise advanced from 54 crores to 106 crores, *i.e.*, doubled themselves, and yet the average annual coinage only advanced, as shewn above, from 6 crores to 8·3 crores during that time. Again, from 1894 to 1905, the exports rose from 106 crores to 157 crores, but the annual average coinage for the five years ending 1904 was just the same as that for the eight years ending 1893, *viz.*, 8·3 crores. It is, therefore, difficult to see why the average should have suddenly gone up from 8·3 crores to 20·7 crores during the last three years. What is probably happening is this. The rupees issued by the Government in response to the demands of trade go into the interior and spread themselves among those from whom purchases are made. But, owing to various circumstances, they do not flow back quickly to centres of

trade or to banks, and thus new rupees have to be obtained for transactions for which old rupees might have sufficed. Meanwhile, the melting back of rupees into silver having ceased, every issue becomes a net addition to the volume of the currency. If this analysis of the situation is correct, it suggests a grave problem, for it means that prices will tend to rise still further. One effect of these high prices, due to a heavy augmentation of the currency, will be to discourage exports and to encourage imports. Another effect will be that whatever gold there is in general circulation in the country—I understand that it is about 12 millions—will be drained from the country. A third effect will be that the cost of production will rise owing to a rise in the cost of living and this will place indigenous industries at a disadvantage in their competition with foreign products. Whether the foundations of the currency system will be involved in the general disturbance that will thus be caused, it is difficult to say. But it is not improbable that an economic crisis, causing great suffering to large numbers of people, may arise, necessitating urgent remedial action at the hands of the State.

“The Hon’ble Member gives an interesting table in his statement to compare the incidence of the salt duty in this country with what it is in some European countries. Now, in this matter of the salt tax, the people of this country will always remember with

feelings of gratitude the Hon'ble Member's tenure of office as Finance Minister, for he has given us two successive reductions of the salt tax, which is more than any of his predecessors ever did. But though his hand has given us the relief, his head, if he will permit me to say so, seems still to be under the influence of orthodox official ideas; and in the table compiled by him, I detect a lingering feeling of regret that the Government should have sacrificed so much revenue to lower a duty which, after all, did not press heavily on the people! Now, in the first place, it is necessary to remember that our complaint about the burdensome nature of the salt tax was with reference to the old level of the duty and not its present level. Secondly, before the Hon'ble Member's comparison can pass muster, it is necessary that he should give us separately the rates of the excise duty and the import duty on salt in those countries which he mentions; for when a country has a strongly protectionist fiscal system, heavy import duties may exist side by side with light excise duties. And, thirdly, to gauge correctly the comparative pressure of a tax in different countries, we must take into account not merely the amount of the tax paid per head in each country, but also the ratio of that amount to the average income per head. So judged, the salt tax will be found even to-day to press more heavily on the people of India than any other people, except those of Italy, as the

following table will show. In this table I have taken the figures of average income per head for the five European countries mentioned by the Hon'ble Member from Mulhall's Dictionary of Statistics. For India I have taken Lord Curzon's figure, though it is clearly an over-estimate :—

| Country. | Annual income per head. | Salt duty per head in terms of a day's income. |
|----------------|----------------------------|---|
| | £ | £ |
| France ... | 25·7 | $\frac{1}{3}$ day's income. |
| Germany ... | 18·7 | 1 day's " |
| Italy ... | 12 | 4 days' " |
| Austria ... | 16·3 | 1 $\frac{1}{3}$ days' " |
| Netherlands... | 26 | 1 day's " |
| India ... | 2 | 2 days' " |

Since the Hon'ble Member is in a mood to appreciate comparisons between India and European countries, I venture to present to him another table, and I respectfully trust that he will find it not only interesting, but also instructive ! It is a table giving the State expenditure on education in the five countries selected by the Hon'ble Member for comparison and in India.

| Country. | State expenditure on education per head. | | | | | |
|-------------|--|-----|-----|-----|----|-----------------|
| | | | | | s. | d. |
| France ... | ... | ... | ... | ... | 5 | 4 |
| Germany ... | ... | ... | ... | ... | 4 | 0 |
| Italy ... | ... | ... | ... | ... | 1 | 8 |
| Austria ... | ... | ... | ... | ... | 2 | 4 |
| Netherlands | ... | ... | ... | ... | 4 | 3 |
| India ... | ... | ... | ... | ... | 0 | 1 $\frac{1}{2}$ |

“My Lord, I am glad that the accounts of the Local Boards have at last been separated from those of the Government in the Financial Statement. I wish the Hon’ble Member had, at the same time, carried further his reform of last year of dealing with Railway and Irrigation figures. He admits the anomaly of treating the two sets of figures differently. He admits also that it would be desirable to deduct the amount of interest from these figures from both revenue and expenditure sides. But he fights shy of a large *minus* entry which would result from the adoption of this course, though there are *minus* entries in several other places in the Financial Statement. Well, I can only hope that some future Financial Member will take a different view of the matter. Strictly speaking, it is not only Railways and Irrigation, but also Post, Telegraphs and Mint, that is, all our commercial and *quasi*-commercial services that must be taken net, if an erroneous idea of our real revenue and expenditure is to be avoided. Also Assignments, Compensations, Refunds and Drawbacks must be deducted from the revenue of the major heads, and advances to cultivators and cost of manufactures in connection with opium must be deducted from the so-called Opium revenue. And on the expenditure side the Interest on Ordinary Debt must be taken net. I venture to think that if our accounts are presented in this manner, they will convey a far more correct idea of our real

218n THE IMPERIAL LEGISLATIVE COUNCIL.

revenue and expenditure than is done at present. Thus re-arranged, the figures of the budget for the coming year will appear as follows :—

Revenue (in millions sterling).

| | | | | | |
|---|-----|-----|-----|-----|-------|
| Major heads | ... | ... | ... | ... | 45·98 |
| Commercial and <i>quasi</i> -commercial services | ... | | | | 3·29 |
| Departmental Receipts (Civil, Miscellaneous, Public Works other than Railways and Irrigation, and Military) | ... | ... | ... | ... | 2·92 |
| Total | | | | | 52·19 |

Expenditure—(in millions sterling).

| | | | |
|--|-----|-------|-------|
| Charges for collection of revenue | ... | ... | 6·04 |
| Interest | ... | ... | ·72 |
| Salaries and expenses of Civil Departments | ... | 14·04 | |
| Miscellaneous Civil charges | ... | ... | 4·62 |
| Famine Relief and Insurance | ... | ... | 1·53 |
| Other Public Works | ... | ... | 4·45 |
| Military Charges | ... | ... | 20·75 |
| | | | 52·15 |

Deduct portion of Provincial expenditure defrayed from Provincial balances

| | | | | | |
|---------|-----|-----|-----|-----|-------|
| Surplus | ... | ... | ... | ... | 51·62 |
| | | | | | ·57 |

Of course, I recognise the difficulty of making radical alterations in old and long-established forms, but I would earnestly urge the Hon'ble Member to see if he cannot add another table to the Financial Statement on the lines suggested above. It will certainly serve

a useful purpose, for it will enable everyone, who turns to it, to see that our real revenue is only 52 millions sterling and not 73 millions!

“My Lord, I welcome with sincere satisfaction the grant of 30 lakhs of rupees which the Hon'ble Member places at the disposal of the Local Governments during the coming year for assisting Municipal bodies in undertaking works of sanitary improvement. The Hon'ble Member promises to make the grant an annual one and considering the great importance of the principle which underlies it, I am sure the country will warmly appreciate the fact that a beginning in this direction has been made, in a year when the difficulties caused by famine might easily have dissuaded the Hon'ble Member from undertaking a new expenditure. Thirty lakhs a year is no doubt a small sum, compared with the vastness of the object to which it is to be applied, but now that the principle has been recognised and a beginning made, I am not without hope that the amount may be increased when the present famine conditions pass away and normal times return. Even as it stands, the grant marks a substantial improvement on the existing situation, as may be seen from the following figures which I have been able to obtain through the courtesy of the Hon'ble Sir Harvey Adamson. These figures show the amounts contributed by the several Governments out of Provincial revenues as grants-in-aid to Municipalities towards

capital outlay on drainage and water-works during the last five years, *i.e.*, from 1902-1903 to 1906-1907 :—

| Province. | Total amount in rupees in five years. | |
|--|---|---|
| Madras | 6,47,000 | (exclusive of 3 lakhs given to the city of Madras. |
| Bombay | <i>Nil.</i> | |
| Bengal | 1,05,400 | |
| United Provinces ... | 5,68,235 | |
| Punjab | 2,35,000 | |
| Burma | 1,58,000 | |
| Eastern Bengal and Assam ... | 14,000 | |
| Central Provinces ... | 41,000 | |
| North-West Frontier Province ... | <i>Nil.</i> | |
| Total for all the Provinces in five years ... | <hr/> 17,68,635 <hr/> | |

This gives us an annual average of $3\frac{1}{2}$ lakhs a year for the whole country, and contrasted with it the Hon'ble Member's 30 lakhs a year is almost a liberal provision! It may be noted that during these same five years, while the Government contributed a mere pittance of $17\frac{1}{2}$ lakhs towards the sanitation of our towns, which are being decimated by annual visitations of the plague, His Excellency the Commander-in-Chief was able to obtain for military charges a sum of about 27 crores above the level of the military expenditure of 1901-1902; and nearly 60 crores were spent as

capital outlay on railways, of which one-third, or over 19 crores, was found out of current revenues. My Lord, this treatment of sanitation, as though the Government had no responsibility in regard to it, has hitherto been one of the most melancholy features of the present scheme of financial decentralisation, under which sanitation has been made over to local bodies as their concern, though they have admittedly no resources for undertaking large projects of improvement. The analogy of England is often quoted to justify this arrangement, though on the same analogy our railway construction should have been left to private enterprise, but it is not. My Lord, our mortality statistics are ghastly reading. The officially recorded death-rate has steadily increased during the last 20 years from 28 per thousand to over 36 per thousand. It was about 28 during the first quinquennium, 1886—1890; from that it advanced to nearly 30 during the second quinquennium, 1891—1895; from there to 32·5 in the third quinquennium, 1896—1900; and from that to 33·5 in the fourth, 1901—1905. For the year 1905—the last year for which figures are available—it was 36·14, being even higher than for the year 1897, when the country was devastated by one of the greatest famines of the last century. It is significant that during this same period of 20 years, England has succeeded in bringing down her death-rate from 20 to 15·5 per thousand. Again, taking only

our urban areas, we find that the rise in the death-rate from 1896—the year immediately preceding the appearance of plague in the country—to 1905 has been from 36·5 to 41·7. Last year His Majesty the King-Emperor was pleased to send a gracious message to the people of this country sympathising with them in their sufferings from plague. Your Excellency, too, made a most feeling reference to the ravages of plague in the course of your last budget speech. My Lord, may we not hope that the Government will in future show a greater recognition of the claims of sanitation on the resources of the State than it has done in the past, as no real improvement in public health is to be expected, unless vigorous efforts are made throughout the country to push on sanitation. Three years ago I urged in this Council that at least one million sterling a year should be provided by the Government to assist Municipal bodies in the construction of drainage and water-works. I earnestly trust that the amount will be forthcoming before long. It is really a modest demand, considering the interests involved and considering also the requirements of the situation.

“In this connection it is a matter of deep regret to me that I cannot persuade the Hon’ble Member to see the reasonableness of my suggestion as regards the utilization of our surpluses—at least of a portion of them—for promoting sanitation. I do not propose to repeat to-day my arguments in favour of such a course,

as I have urged them again and again in this Council with, perhaps, wearying iteration. But there is one misapprehension of the Hon'ble Member about which it is necessary to say a word. He thinks that as a surplus is in the nature of a windfall and entirely uncertain, to make allotments out of it towards sanitary projects would involve wastage, as works may have to be stopped after being undertaken, if one surplus is not followed by another surplus; and he says that this would be unsound finance. I do not, however, see why there need be any stoppage of works or any wastage. My proposal would work as follows:—Suppose there is a surplus of 2 millions one year and suppose it is decided to devote it to sanitary improvements. The different Provincial Governments will receive allotments out of it, which they will temporarily hold as part of the Provincial balances. They will have before them a programme of sanitary projects and they will offer assistance out of the allotment to such of them as appear to them to be the most urgent. It should be laid down that no assistance should be offered unless the whole of the money required to meet the liability is there in the balances or can be provided partly out of the allotment and partly out of Provincial revenues. When a second surplus is realised and fresh allotments are received, other projects can be taken up for assistance in the same way. If there is no surplus to allot, no harm is done. These surplus allotments may

be in addition to the regular annual grant. I do not see what is there that is unsound in such a course. On the other hand, I cannot help regarding the present practice of devoting surpluses to railway construction—which means investing them as capital—as unjust to the tax-payers and wholly indefensible. What will the Honourable Member think of a man, who, while his children are sickening and dying, neglects to improve the sanitation of his house and uses whatever money he can spare out of his income for purposes of investment? And yet this is precisely what the Government of India has been doing all these years. Our railways, on which already 400 crores of rupees have been expended, rest on a commercial basis. They are remunerative as a commercial undertaking and they should be constructed only out of borrowings. Surpluses are so much more revenue taken from the people than was necessary for the requirements of the Government. As it is not possible to return a surplus directly to the people, it should be spent in meeting non-recurring expenditure most urgently needed for their welfare. Such expenditure to-day in this country is expenditure on sanitary improvements. The Honourable Member proposes to devote to railway construction a sum of $1\frac{3}{4}$ million sterling out of cash balances during the coming year. This raises the question whether there should not be a definite limit to cash balances. If in fat years larger

cash balances than are really required are to be built up out of current revenues and in lean years they are to be drawn upon for railway construction, it really means finding money for capital outlay on railways out of the proceeds of taxation, whether the years be fat or lean. The question was carefully considered by the Government of Lord Northbrook, and the conclusion arrived at was that $13\frac{1}{2}$ crores should suffice as cash balances. Since then Burma has been added and the normal level of expenditure has also risen considerably. Still cash balances, ranging between 25 and 30 crores, appear to be unnecessarily large and may, I think, be brought down to a lower level.

"My Lord, I think the country has a right to complain that the conclusion of the Anglo-Russian Convention, which has been acclaimed by its authors as a great triumph of diplomacy, has made no difference whatever to the people of India, so far as the weight of military charges is concerned. It is true that certain lapsed grants have not been restored to the military budget this year, but that is owing to the difficulties occasioned by the famine and, moreover, they only mean a slight postponement of certain items of expenditure. Two years ago, when I urged a reduction of military expenditure in this Council in view of Russia's collapse in the Russo-Japanese War and the conclusion of the Anglo-Japanese Alliance, Your Lordship observed :—

Recent events may at first sight appear to justify much of what the Hon'ble Mr. Gokhale has said. Russia's reverses in the Far East and our alliance with Japan undoubtedly, at the present moment, minimise the dangers of our Indian frontier; but I am afraid I cannot follow the Hon'ble Mr. Gokhale in his conclusion that these dangers have disappeared for ever. He has told us that the tide of European aggression in China has been rolled back for good, that the power of Russia has been broken and that her prestige in Asia has gone. I am afraid these are mere assumptions which I can hardly accept. I am afraid I feel much more impelled to consider what effect Russian reverses may have on the pride of a high-spirited military race and I wonder in how long or in how short a time she may feel confident of recovering her lost prestige.

“ Well, this time it is an agreement with Russia herself that has been concluded and now at any rate there is no justification for regarding Russian aggression on the North-West frontier as anything else than a mere remote possibility. But now I fear another ground is being taken, namely, that in view of the unrest prevailing in the country and the tendencies of thought and utterance among a section of the people, it is not desirable to touch the military expenditure of India. My Lord, all I can say is that such a view of the situation is most unjust to the vast bulk of the tax-paying community in the country. No doubt it is the case all over the world that when military charges have been once allowed to grow, it is extremely hard to get them reduced again. In India, in addition to this general difficulty, there are

special difficulties connected with the exceptional nature of the situation. But the general satisfaction that will result from a reduction of our overgrown military expenditure is an important consideration. On the other hand, the retention of the present level of charges, in spite of the Anglo-Russian Agreement, will probably tend to strengthen those very tendencies which are alleged to stand in the way of a diminution of the country's burdens.

There is one more point that I would like to urge about our financial administration before I close. I think it is necessary that a larger portion of our revenues than at present should be devoted to objects on which the moral and material well-being of the mass of our people ultimately depends. The expenditure on the Army, the Police and similar services may be necessary, but it is a necessary evil, and consistently with the maintenance of a proper standard of efficiency, it must be kept down as far as possible. On the other hand, no State, especially in these days, can expend too much on an object like education. And here, My Lord, I regret to say that the Government is not doing its duty by the people of India. Everywhere else throughout the world the State now accepts it as a sacred obligation resting on it to provide for the free and compulsory education of its children. The Gaekwar of Baroda has recently adopted measures to make this provision for his subjects. What every

civilized Government provides for its people, what the Gaekwar is providing in his State, the Government of India must surely provide for the people of British territories. There is no escape from so obvious a duty and every day's delay is a wrong to the people. We sometimes hear it said that it will be impossible to find money for so vast an undertaking. My Lord, it is not true. The money is there for whatever developments may take place immediately and it can be found without difficulty as we go along, if the burden is distributed over a number of years and the task taken in hand in a resolute spirit. The Hon'ble Mr. Baker makes an interesting observation in one of the paragraphs dealing with famine, which throws a flood of light on this point. He says that the loss to the exchequer of the Government of India—apart from the losses of the Provincial Governments—from this year's famine has been estimated at 3 crores during the year about to close and at $3\frac{1}{4}$ crores in the coming year. As there has been a small surplus in the accounts of the Government of India this year and as the Hon'ble Member has budgeted for another surplus for the coming year, his estimate should carry conviction to the most sceptical mind. My Lord, I repeat, the money is there or can be found without difficulty. Only the will has to be there and then we shall not be found merely discussing the difficulties of the problem. Then there is the question of technical and industrial education. Half a million sterling for initial equipment and about five lakhs a year for maintenance charges should give the country an Institute of Technology, almost fit to be included among the great institutions of the world. And the expenditure will return tenfold to the State not only in the

advance of technical and industrial education in the country, but also in the appreciation and enthusiasm of the people. I have already spoken of the needs of sanitation. Lastly there is the vast problem of agricultural indebtedness. Here, except perhaps for initial experiments, the money for any scheme of relief that may be adopted—if one ever is adopted—will have to be out of loan funds, and there is ample margin for borrowing for such a purpose, as our Ordinary Debt now stands at only about 37 million sterling.

My Lord, we are passing through very anxious times. How we shall emerge from this crisis, when it is over, is a question that is occupying all earnest minds in the country to-day; almost to the exclusion of any other question. There is much in our present situation that is naturally galling to proud and sensitive spirits, and young men, fresh from their books, are coming forward on every side to ask why things need be as they are. As yet they have not permitted themselves to imagine that their interests do not lie on the side of order. But, sooner or later, mere order is bound to appear irksome to those who zealously cultivate the belief that there is no chance of better days for their country as long as existing arrangements continue. They will, no doubt, discover before long the limitations of their position. They may even come to recognize that life is not always like writing on a clean slate, and that, in the peculiar circumstances of India, they must range themselves, in spite of the humiliations of the situation, in their own best interests, on the side of order, for without its unquestioned continuance no real progress for their country is possible. My Lord, many things have happened during the last three years which

have had the effect of swelling the ranks of these men. Even the feeling of love and reverence, with which, as a great teacher, the philosopher-statesman at the India Office was regarded by successive generations of educated Indians and which was really an asset of value to British rule when he took charge, has helped to add to the difficulties of the situation. That feeling has given way to a sense of irritation and disappointment, because Mr. Morley has on occasions used language which has wounded and has sanctioned measures which have bewildered and amazed. And though those among us, who have not made sufficient allowances for Mr. Morley's difficulties, will in the end regret the harsh things they have said of him, he certainly for the time has lost the power of arresting the rapid decline of my countrymen's faith in England's mission in this country. My Lord, the Government will no doubt put down—indeed, it must put down—all disorder with a firm hand. But what the situation really requires is not the policeman's baton or the soldier's bayonet, but the statesman's insight, wisdom and courage. The people must be enabled to feel that *their* interests are, if not the only consideration, at any rate the main consideration that weighs with the Government, and this can only be brought about by a radical change in the spirit of the administration. Whatever reforms are taken in hand, let them be dealt with frankly and generously. And, My Lord, let not the words 'too late' be written on every one of them. For while the Government stands considering,—hesitating, receding, debating within itself 'to grant or not to grant, that is the question'—opportunities rush past it which can never be recalled. And the moving finger writes and having writ, moves on !

HOUSE ACCOMMODATION IN CANTONMENTS.

[At a meeting of the Imperial Legislative Council held on Friday, the 14th February 1902, His Excellency Lord Curzon presiding, the Council considered the Report of the Select Committee on the Bill to make better provision for securing house-accommodation for officers in Cantonments. The Hon. Mr. Pugh moved that in clause 2, sub-clause (1) of the Bill as amended by the Select Committee, the definition of "grantee" be omitted. In supporting the amendment, the Hon. Mr. G. K. Gokhale spoke as follows:—]

Your Excellency,—As Government have been pleased to accept the amendment moved by the Hon'ble Mr. Pugh, I do not think it is necessary for me to say anything in support of it; but, if Your Excellency will bear with me, I will, following the example of my Hon'ble friend Mr. Bilgrami, make a few observations on the general character of the measure which the Council are invited to pass to-day. My Lord, it is true that I have signed the Report of the Select Committee subject to dissent in one particular only, but I don't mind confessing that I regard all legislation of this nature with a considerable amount of misgiving. I am free to recognise that Government have been by no means precipitate in proceeding with this

measure, as it has been before the public, in one form or another, for nearly thirteen years. I also recognise that large and important modifications have been introduced into the Bill to soften the stringency of its original provisions, and now that Government have accepted the amendment of which the Hon'ble Mr. Pugh had given notice, I think they have done nearly all that lay in their power, short of dropping the Bill, to provide what have to be considered as reasonable safeguards to protect the legitimate interests of house-owners in cantonments. But, My Lord, when all this is admitted—and I make the admission most gratefully—the fact remains that legislation of so exceptional a character, interfering as it does with the normal freedom of contract between house-owners and tenants, can be justified only on grounds of the strongest necessity; and there is ample evidence in the opinions and memorials laid before the Select Committee to show that in the case of a large number of cantonments such necessity does not exist. In these cantonments no difficulty has been experienced in the past in the matter of obtaining house-accommodation for military officers, the number of bungalows available being largely in excess of military requirements, and a certain proportion of these bungalows remaining, as a matter of fact, vacant from year to year. Poona is a typical instance of this class of cantonments. It has been estimated that the number of military officers requiring

house-accommodation in Poona is about 160 ; while the number of bungalows in Military lines is over 200. Now all these 160 officers do not take a house each. The younger officers generally prefer chumming, three or four in a house. A considerable number reside in the Western India Club and in hotels and a few live even in Civil lines. The result is that every year a certain number of houses remain without tenants. It may be urged that it is not intended to put the proposed enactment into operation at once in all cantonments throughout India. That is true ; but as soon as the Bill is passed, the matter gets out of the hands of the Legislature, and then it is all a question of the discretion of Government in their executive capacity, which, it will be admitted, is quite a different thing. I do not say that this discretion will not, as a rule, be wisely exercised, but it is conceivable that a Local Government may not always be able to withstand the pressure of the military authorities, who would naturally not be reluctant to be armed with the drastic powers which this Bill vests in them, when once the Act is extended to a cantonment. And I think there is reason to fear that the operation of this enactment, with all the safeguards it contains, is likely to prove in practice more or less prejudicial to the interests of house-owners. The Legislature, My Lord, may make the letter of the law as severely impartial as it can. The law itself has to be enforced through the

medium of human beings, who are not free from prejudice. And in the present case it will be worked by military men, who are so accustomed to prompt and unquestioning obedience that they are often not likely to trouble themselves much about nice points of law in enforcing their wishes. The Bill provides for referring all important matters of disagreement between house-owners and tenants to Committees of Arbitration. It remains to be seen how far the safeguard of these Committees proves to be effective in practice. Past experience of these bodies in cantonments is not very encouraging. On this point I need quote no other testimony than that of the Hon'ble Mr. Hardy, who has described his experience of these Committees in the following terms:— 'I have been a member on these Committees, and I am bound to say I thought their tendency was to be hard on the house-owner.' Let us hope that the Arbitration Committees that will be constituted under the proposed enactment will give greater satisfaction. In one respect the Bill is certain to cause loss to house-owners. Where a non-military tenant is ejected in favour of a military tenant under the coercive clauses of the Bill, the house is sure to be shunned by non-military tenants after that, and so, if at any time the house-owner fails to get a military tenant for it, it is likely to remain without a tenant. I have made these observations to emphasize respectfully the great need

there is for exhausting all ordinary remedies before resorting to the somewhat violent disturbance of the normal relations between house-owners and tenants which this Bill authorises, especially in the case of those cantonments in which the inconvenience complained of in the preamble of the Bill has not assumed serious dimensions and where the requirements of the Military are of a fixed character. I believe, in such cantonments, Government might, with advantage, try the plan of selecting themselves the required number of bungalows once for all, and requiring their officers to occupy them for fixed rents. Such an arrangement, I submit, will be more equitable than that contemplated in the Bill, because there will be a reciprocity of obligations under it. For if house-owners will be thereby required to place their bungalows at the disposal of military officers, these latter, in their turn, will be bound to occupy them; and the chances of friction between house-owners and military officers will be minimised. Of course, where the evil mentioned in the preamble has grown so serious that such a simple plan will not be practicable, the proposed enactment will have to be enforced, for no one can question the fact, that cantonments exist primarily for the accommodation of military men and they must fulfil that purpose under any circumstances. But in regard to these cantonments, *i.e.*, where it will be found necessary to enforce the new law, I would venture to make

one suggestion, and that is, that Government should publish every year a statement showing the number of cases in which the coercive clauses of the Bill have been enforced during the year. I think the mere fact that such a return will have to go up to the Government will tend to sober the excess of zeal on the part of cantonment authorities and will prove a salutary addition to the safeguards which have been already provided in the Bill. My Lord, it was not possible for me to bring up these suggestions in the shape of amendments, and I thought I might submit them to the consideration of Government in the course of this discussion.

THE OFFICIAL SECRETS ACT.

[At a meeting of the Imperial Legislative Council, held on Friday the 4th December 1903, the Hon'ble. Sir. T. Raleigh presiding, the Hon. Mr. A. T. Arundel moved that the Bill to amend the Indian Official Secrets Act, 1889, be referred to a Select Committee. The Hon. Mr. G. K. Gokhale opposed the motion in the following speech.]

Sir, this Bill, both in its principle and its details, is open to such grave objection that it is a matter for profound regret that Government should ever have thought of introducing the measure. The *Englishman*, in a recent issue, describes the Bill as calculated to Russianize the Indian Administration, and says that 'it is inconceivable that such an enactment can be placed on the Statute book even in India.' This, no doubt, is strong language, but, I think, it is none too strong, and in view of the quarter from which it comes, it should give Government pause. Fourteen years ago, when the Indian Official Secrets Act was passed, there was no discussion in the Council, as the measure was introduced and passed at Simla. But there were two considerations in its favour: first, that a similar Act had already been passed in England and it was applicable to all the dominions of His Majesty, including India, and so the Indian Act was a mere Indian edition of the English Law already in force in India; and,

secondly, it related principally to Naval and Military Secrets, and it could be argued that, as such secrets concerned questions of the country's safety, it was necessary for Government to have drastic powers for preventing their disclosure. The present Bill, however, proposes to make alterations of so astounding a nature in that Act that it is difficult to speak of them with that restraint which should characterize all utterances in this Chamber. To state the matter briefly, the Bill proposes to make three principal changes in the old Act: first, it proposes to place Civil matters on a level with Naval and Military matters; secondly, in place of the present provision that a person who enters an office *for the purpose of wrongfully obtaining information* is liable to be punished under the Act, it is now proposed to enact that whoever, 'without lawful authority or permission (the proof whereof shall be upon him), goes to a Government office,' commits an offence under the Act; and, thirdly, it is proposed to make all offences under the Act cognizable and non-bailable. Now, Sir, it is difficult to imagine that any responsible officer of Government conversant, in any degree, with the administration of the country, and possessing the least regard for the professed character of British rule, could have drafted these amendments. Take the first proposal to place Civil matters on a level with Naval and Military matters. The Civil

administration of the country ranges from the highest concerns of State policy which engage the attention of the Viceroy down to the pettiest detail of the routine work of a village official. The word 'secret' is nowhere defined, and it must, therefore, include all official information not authoritatively notified by the Government to the public. And I want to know if it is seriously intended to make the publication of even the most trivial news in connection with this vast civil administration of the country penal—such news, for instance, as the transfer of a Government officer from one place to another—unless it has first appeared in a Government resolution or any other official notification. And yet this would be the effect of the proposed amendment. The *Englishman* calls this Russianizing the administration, and he is entitled to the thanks of the public for his powerful and disinterested criticism. For the Bill, even if it becomes law, will not, in practice, affect him or the other editors of Anglo-Indian papers. I would like to see the official who would venture to arrest and march to the police thana the editor of an Anglo-Indian paper. But so far as Indian editors are concerned, there are, I fear, officers in this country, who would not be sorry for an opportunity to march whole battalions of them to the police thana. It is dreadful to think of the abuse of authority which is almost certain to result from this placing of Indian editors, especially

the smaller ones among them, so completely at the mercy of those whom they constantly irritate or displease by their criticism. It might be said that, while Government have no objection to the authorized publication of official news of minor importance, they certainly want to prevent the publication of papers, such as the confidential circulars about the wider employment of Europeans and Eurasians in the public Service, which were published by some of the Indian papers last year. Now, in the first place, the Bill does not distinguish between matters of smaller and greater importance. And, secondly, even on the higher ground on which the measure may be sought to be defended, I submit that the Bill, if passed into law, will do incalculable mischief. I think, Sir, that, in a country like India, while Naval and Military secrets require to be protected, if anything, with even greater strictness than in England, the very reverse is the case with matters concerning the Civil administration. The responsibility of the Government to the people in this country is merely moral; it is not legal, as in the West. There is no machinery here, as in Western countries, to secure that the interests of the general public will not be sacrificed in favour of a class. The criticism of the Indian Press is the only outward check operating continuously upon the conduct of a bureaucracy, possessing absolute and uncontrolled power. I can understand the annoyance caused to the

officers of Government by the publication of circulars, such as were made public last year. But are Government wise in permitting this feeling of annoyance to so influence them as to make them come forward with a proposal to close an obvious safety-valve and drive popular discontent inwards? The proper and only remedy, worthy of the British Government, for whatever is really deplorable in the present state of things is, not to gag newspapers as proposed in this bill, but to discourage the issue of confidential circulars which seek to take away in the dark what has been promised again and again in Acts of Parliament, the Proclamations of Sovereigns, and the responsible utterances of successive Viceroys. From the standpoint of rulers, no less than that of the ruled, it will be most unfortunate if Indian papers were thus debarred from writing about matters which agitate the Indian community most. What happened, for instance, last year, when those circulars were published? For some time before their publication, the air was thick with the rumour that Government had issued orders to shut out Indians from all posts in the Railway Department, carrying a salary of Rs. 30 and upwards a month. It was impossible to believe a statement of this kind, but it was not possible to contradict it effectively when it was practically on every tongue. The damage done to the prestige of Government was considerable, and it was only when the circulars were published that the exact

position came to be understood. The circulars, as they stood, were bad enough in all conscience, but they were not so bad as the public had believed them to be. What was laid down in them was not that Indians were to be shut out from all appointments higher than Rs. 30 a month, but that Eurasians and Europeans were to have, as far as practicable, a preference in making appointments to such posts. The fear that such lamentable departures from the avowed policy of Government might be dragged into the light of day act at present as an effective check on the adoption of unjust measures, and I think it will have a disastrous effect on the course of administration, if this check were to be done away with and nothing better substituted in its place. As regards the second amendment, which would make a man's merely going to an office without lawful authority or permission an offence, I am sure Government have not considered what this will mean in practice. A very large amount of the work of lower officials is transacted by the people concerned going to their offices without permission expressly obtained. Petitioners, for instance, often have to go to offices for making inquiries about what has happened to their petitions. They rarely receive written replies, and it will now be in the power of any police officer to get a man against whom he has a grudge, or from whom he wants to extort anything, into trouble by alleging that he had gone to an office of Government

‘without lawful authority’. This will be putting a most dangerous power into the hands of the lower police, about whose character, as a class, the less said, the better. Even an innocent friendly visit by a private individual to an official friend of his at the latter’s office can, under this Bill, be construed into an offence. I am sure nothing could be farther from the intention of Government, and I am astonished that greater care was not taken in drafting the Bill to confine it to the object Government had in view. Lastly, it is proposed to make offences under this Act cognizable and non-bailable—which means that a person charged with an offence under this Act is to be arrested at once, but he is not to be liberated on bail—and yet there is to be no trial till the sanction of the Local Government has been obtained. This may take weeks and even months, and finally, it may never be accorded, and the person arrested is all the while to rot in detention. I cannot understand how a procedure so abhorrent to ordinary notions of fairness should have commended itself to Government. The only redeeming feature in this most deplorable business is that among the opinions which the Government of India have received from their own officers, there are some that strongly deprecate the measure—at least in its more serious aspects. And I think it is a matter for special satisfaction that the Government of Bengal has spoken out so plainly against placing Civil matters on a level with the Naval and Military. Sir,

I protest against the very introduction of this Bill. I protest against the spirit in which it has been conceived. I protest against its provisions generally. And as I cannot imagine any possible amendment of the measure which can make it acceptable to me, my only course is to vote against this motion to refer it to a Select Committee.

[At a meeting of the Imperial Legislative Council, held on Friday the 4th March 1904, His Excellency Lord Curzon presiding, the Hon. Sir. A. T. Arundel moved that the Report of the Select Committee on the Bill to amend the Official Secrets Act, 1889, be taken into consideration. The Hon. Mr. G. K. Gokhale then spoke as follows.]

My Lord, I desire to say a few words on the Bill as amended by the Select Committee, before this motion is put to the vote. When the Bill was referred to the Committee in December last, my Hon'ble friend Nawab Saiyid Muhammad and myself deemed it our duty to enter an emphatic protest against the general character and the leading provisions of the proposed measure, because in the form in which it then stood, it was impossible to have any patience with the Bill. Since then, however, thanks to the assurances given by Your Lordship on your return to Calcutta, and the conciliatory attitude adopted by the Hon'ble Member in charge of the Bill in the Select Committee, the Bill has been largely altered, and I gladly recognize that

several most objectionable features have either been wholly removed or have been greatly softened. Having made this acknowledgment, I deem it necessary my Lord, to submit that unless the Bill is further amended, on the lines of the more important amendments of which notice has been given, the alterations made so far will fail to allay the apprehensions that have been so justly aroused. My Hon'ble friends Mr. Bose and Nawab Saiyid Muhammad and myself have signed the Report of the Select Committee, subject to dissent only on two points, and we have expressed that dissent in the mildest terms that we could possibly find to convey our meaning. We did this both to mark our sense of the conciliatory manner in which the Hon'ble Member in charge of the Bill received many of our suggestions, and in the hope that, by thus removing from our dissent all trace of the angry criticisms to which the Bill has been subjected, we might make it easier for Government to proceed further in the direction of meeting the objections urged by the public. My Lord, I earnestly trust that in this hope we shall not be altogether disappointed. I do not wish to anticipate anything I may have to say when the amendments of which I have given notice come up for consideration. But I cannot let this motion be put to the vote without saying that the Bill, even as amended, is open to serious objection, that no case has been made out for it, that the safeguards to which the Hon'ble Member referred

in presenting the Report of the Select Committee are more or less illusory, and that, unless the Bill is further amended, it must tend unduly to curtail the liberty of the Press, not so much perhaps by what Government may actually do, as by the fear of what they may do. The striking unanimity with which the entire Press of the country, Anglo-Indian as well as Indian, has condemned the measure must convince the Government that the opposition to the Bill is not of a mere partisan character, but that it is based upon reasonable grounds, which it is the duty of Government to remove. If, however, Government are not prepared to do this, I would respectfully urge even at this last moment that the Bill should be abandoned altogether.

[At the same meeting the Hon'ble Mr. Gokhale moved that in clause 2 of the Bill as amended, in the proposed definition of "affairs," in sub-clause (b) the words "or any other matters of State" be omitted. He said :—]

Government are no doubt aware that these are the words to which the greatest exception has been taken both by the Press and by public associations in the country, and if this proposal to omit them is accepted, the greater part of the opposition to this measure will, I think, disappear. On the other hand, if the words are retained, they will render the attempted definition of 'civil affairs' practically valueless, by conferring on Government almost as wide and dangerous a power to interfere with the liberty of the

Press as under the original Bill. My Lord, a definition is no definition unless it specifies, or at any rate indicates with some degree of definiteness, what it is that is intended to be included within its scope, so that a person of average intelligence may have no difficulty in understanding that scope. In the present case, this test fails altogether on account of the use of such vague and all-embracing words as 'any other matters of State' in this attempted definition. I see that the Hon'ble Sir Arundel Arundel has given notice of an amendment to insert the word 'important' before the words 'matters of State.' 'Any other important matters of State' is, however, as vague and may be made as all-embracing as the expression 'any other matters of State,' and I do not think the Hon'ble Member's amendment will improve matters in any way. It may be argued, as the Hon'ble Member did when presenting the Report of the Select Committee, that the definition of 'civil affairs,' even as it stands, need cause no apprehension; because, before any conviction is obtained, Government would have to prove (1) that the information published was of such a confidential nature that the public interest had suffered by its disclosure; (2) that it had been wilfully disclosed; and (3) that the person disclosing it knew that in the interest of the State he ought not to have disclosed it at that time. Now, my Lord, these safeguards look very well on paper; but I fear in practice they will not be

found very effective. When the Government come forward to prosecute a newspaper on the ground that it had disclosed confidential information relating to matters of State, and that such disclosure had harmed public interests, I am afraid a great many Magistrates in India will require no other proof than the opinion of Government to hold that the information published was confidential, and that it had prejudicially affected the interests of the State. As regards wilful communication, that too will be held to be established as a matter of course, unless the newspaper proves that the publication was due to inadvertence. The knowledge on the part of the editor that such publication should not have been made at that time in the interests of the State will, no doubt, strictly speaking, be more difficult to prove, but Magistrates of the average type in India, in the peculiar relation in which they stand to the Executive Government, will not be very reluctant to presume such knowledge from the fact that the information published was regarded by Government as confidential, and from other attendant circumstances. Let me take, as an illustration, the publication last year by some of the Indian newspapers of a confidential circular addressed to railway authorities in this country by the Under-Secretary to the Government of India in the Public Works Department in the matter of the wider employment of Europeans and Eurasians. My Lord, in the state-

ment made by Your Lordship in December last on the subject of the Official Secrets Bill, Your Lordship was pleased to state that I had directly attributed the introduction of this Bill to the annoyance caused to Government by the publication of this circular. May I respectfully ask leave to correct this misapprehension? I had mentioned this circular only to illustrate my meaning as to the distinction which I thought Government might make between civil matters of smaller and of greater importance. My exact words were 'It may be said that, while Government have no objection to the unauthorized publication of official news of minor importance, they certainly want to prevent the publication of papers such as the confidential circulars about the wider employment of Europeans and Eurasians in the public service, which were published by some of the Indian papers last year.' And later on, when I spoke of the annoyance caused to the officers of Government, I spoke of 'the annoyance caused by the publication of circulars such as were made public last year.' I had thus used the circular only for the purpose of an illustration, and I beg leave to use it for a similar purpose again to-day. It is probable that, as this circular had been issued without Your Lordship's knowledge or the knowledge of the Member in charge of Public Works as stated by Your Lordship on a previous occasion, Government would not sanction a prosecution in this case; but

supposing for the sake of argument that they did, how would the matter stand? Government might urge that the publication of the circular had inflamed the minds of many Hindus, Muhammadans and Parsis against the Government and had thus led to increased disaffection in the country. And if the trying Magistrate came to accept this view, the task of the prosecution would be comparatively simple. The injury to public interests would be held to lie in the alleged increased disaffection, and the circular being confidential, the Magistrate would have no difficulty in holding that the publication was wilful; and the editor would be presumed to have known what the consequences of such a publication would be. It may be that on an appeal to the High Courts or similar authority, the conviction may be set aside. But the worry and expense caused to the editor by such a prosecution might, in themselves, prove a heavy punishment, especially when it is remembered that the prosecution would have behind it all the prestige, power and resources of the Government. Even if no prosecution were actually instituted by the Government under the proposed legislation, the mere fact that the Government was armed with the power to prosecute cannot fail to affect prejudicially the liberty of the Press in this country. My Lord, nowhere throughout the British Empire is the Government so powerful relatively to the governed as in India. No-

where, on the other hand, is the Press so weak in influence, as it is with us. The vigilance of the Press is the only check that operates from outside, feebly, it is true, but continuously, upon the conduct of the Government, which is subject to no popular control. It is here therefore, if anywhere, that the Legislature should show special consideration to the Press, and yet here alone it is proposed to arm Government with a greater power to control the freedom of the Press than in any other part of the Empire. My Lord, we often hear Government complaining of the distrust shown by the people in this country, and the people complaining of the Government not trusting them enough. In such a situation, where again the question is further complicated by a tendency on the part of the Government to attach undue importance to race or class considerations, the wisest and safest and most statesmanlike course for it is to conduct its civil administration as far as possible in the light of day. The Press is in one sense, like the Government, a custodian of public interests, and any attempt to hamper its freedom by repressive legislation is bound to affect these interests prejudicially, and cannot fail in the end to react upon the position of the Government itself. My Lord, I fear, that the retention of the words 'or any other matters of State' in the definition of 'civil affairs' will unduly curtail the liberty of the Press in India, and I therefore move that these words be omitted from the definition.

[At the same meeting, the Hon. Mr. A. J. Arundel having moved that the Bill, as amended, be passed, the Hon. Mr. Gokhale opposed the motion in the following speech.]

My Lord, the motion now before the Council is only a formal one. But as it marks the conclusion of our discussion of this important measure, I would like to say a few words. My Lord, I greatly regret that Government should not have seen their way to accepting even a single one of the more important amendments of which notice had been given. This is the first time within my experience that a legislative measure has been opposed by all classes and all sections of the public in this country with such absolute unanimity. Of course with our Legislative Councils as they are constituted at present, the Government has the power to pass any law it pleases. But never before, I think, did the Government dissociate itself so completely from all public opinion—including Anglo-Indian public opinion—as it has done on the present occasion. I recognize that the responsibility for the good administration of the country rests primarily on the shoulders of the Government. But it is difficult to allow that this responsibility can be satisfactorily discharged, unless the Government was supported in its legislative and executive measures by some sort of public opinion. My Lord, Your Lordship has often declared that it was your constant aspiration

to carry the public with you as far as possible in all important acts of your administration, I do not think it can be said that that aspiration has been in the smallest degree realized in the present case. The whole position is really most extraordinary and very painfully significant. Here we had a law, already in force, identical in character and identical in wording with the law obtaining in the other parts of the British Empire. The British Government in England, with its vast naval and military concerns and its foreign relations extending over the surface of the whole globe, has not found its law insufficient for its purpose. How then has the Government of India, with its more limited concerns, found it necessary to make the law more drastic in India? The explanation, I think, is simple. It is that, while in England the Government dare not touch the liberty of the Press, no matter how annoying its disclosures may be, and has to reconcile itself to the latter regarding them as only so much journalistic enterprise, in India the unlimited power which the Government possesses inclines it constantly to repressive legislation. This single measure suffices to illustrate the enormous difference between the spirit in which the administration is carried on in India and that in which it is carried on in England. My Lord, as the Bill is still open to serious objection, I must vote against this motion to pass it.

THE INDIAN UNIVERSITIES ACT.

[At a meeting of the Imperial Legislative Council, held on Friday the 18th December 1903, His Excellency Lord Curzon presiding, the Hon. Sir. T. Raleigh moved that the Bill to amend the law relating to the Universities of British India be referred to a Select Committee. In opposing the motion the Hon. Mr. G. K. Gokhale made the following speech.]

My Lord, as this is the occasion on which the principle of the Bill may be usefully discussed, I cannot give a silent vote on the motion now before us, especially in view of the great attention which this subject has received during the last three years at the hands of both the Government and the public, and the angry controversy which has raged round it for most of the time. In the course of the Budget Debate of last year, Your Lordship, while referring to the attitude of the educated classes of this country towards University Reform, was pleased to observe—‘Surely there are enough of us on both sides, who care for education for education’s sake, who are thinking, not of party-triumphs, but of the future of unborn generations, to combine together and carry the requisite changes through.’ My Lord, I do not know if my claim to be regarded as one of such persons will pass unchallenged. But this I venture to say for myself: I hope I have given,

in my own humble way, some little proof in the past of my interest in the cause of higher education; and that, in the observations which I propose to offer to-day, the only consideration by which I am animated is an anxious regard for the future of Western education in this land, with the wide diffusion of which are bound up in large measure the best interests of both the Government and the people. My Lord, in your Budget speech of last year, Your Lordship complained of the unnecessary distrust with which the educated classes regarded the attitude of the present Government towards higher education. I can assure Your Lordship that, even among those who have not been able to take the same view of this question as Your Lordship's Government, there are men who regret that the difficulties which already surround a complicated problem should be aggravated by any unnecessary or unjustifiable misapprehension about motives. But is it quite clear that the Government itself has been free from all responsibility in this matter, and that it has given no cause whatever for any misapprehension in regard to its object? Let the Council for a moment glance at the circumstances which have preceded the introduction of this Bill. More than two years ago, Your Lordship summoned at Simla a Conference of men engaged in the work of education in the different Provinces of India. Had the Conference been confined to the educational officers of Government, one would have

thought that Government was taking counsel with its own officers only, and of course there would have been no misunderstanding in the matter. But the presence of Dr. Miller at the Conference at once destroyed its official character, and gave room for the complaint that the deliberations were confined to European educationists in India only. The fact that the proceedings of the Conference were kept confidential deepened the feeling of uneasiness already created in the public mind by the exclusion of Indians from its deliberations. Later on, when the Universities Commission was first appointed, its composition, as is well known, afforded much ground for complaint; and though, to meet public opinion half way, Your Lordship took the unusual step of offering a seat on the Commission, almost at the last moment, to Mr. Justice Guru Das Banerjee, the objection remained that, while missionary enterprise was represented on the Commission in the person of Dr. Mackichan, indigenous enterprise in the field of education was again left unrepresented. The hurried manner in which the Commission went about the country and took evidence and submitted its report was not calculated to reassure the public mind. Finally, the holding back of the evidence, recorded by the Commission, on the plea that its publication would involve unnecessary expense, was very unfortunate, as other Commissions had in the past published evidence ten times as voluminous and the

question of economy had never been suggested. Now, my Lord, every one of these causes of complaint was avoidable and I cannot help thinking that a good deal of the misapprehension, which every right-minded person must deplore, would have been avoided, if Government had been from the beginning more careful in this matter. The task of reforming the University system in India was, in any case, bound to be formidable, and it was much to be wished that it had been possible to examine the proposals of Government on their own merits, in the clear light of reason, unobscured by passion or prejudice or misapprehension of any kind, on one side or the other.

A misapprehension of the motives of the Government cannot, however, by itself explain the undoubted hostility of the educated classes of this country to the present measure. And it seems to me to be clear that this sharp conflict of opinion arises from the different standpoints from which the question of higher education is regarded by the Government and the people. In introducing this Bill the other day at Simla, the Hon'ble Mr. Raleigh asked at the outset the question 'whether English education has been a blessing or a curse to the people of India' and he proceeded to give the following reply :—'In point of fact it has been both, but much more, I believe, a blessing than a curse. We note every day the disturbing effects of a new culture imposed upon learners who are not always pre-

pared to receive it ; but still it is a great achievement to have opened the mind of the East to the discoveries of Western science, and the spirit of English law. To the Schools and Colleges under our administration we owe some of the best of our fellow workers—able Judges, useful officials, and teachers who pass on to others the benefit which they have received. To them also we owe the discontented B.A., who has carried away from his college a scant inodicum of learning and an entirely exaggerated estimate of his own capacities, and the great army of failed candidates, who beset all the avenues to subordinate employment.' Here then we have the principal objection to the present system of University education authoritatively stated, *namely*, that it produces the discontented B.A., and a great army of failed candidates. The Hon'ble Member describes these classes as a curse to the country, and he claims that his proposals are intended to abate this evil. Now, my Lord, I would in the first place like to know why 'the army of failed candidates, who beset the avenues to subordinate employment' should be regarded as a curse by the Government any more than any other employer of labour regards as a curse an excess of the supply of labour over the demand. These men do no harm to anyone by the mere fact that they have failed to pass an examination or that they seek to enter the service of Government. Moreover, unless my Hon'ble friend is prepared to abolish examinations altogether,

or to lay down that not less than a certain percentage of candidates shall necessarily be passed. I do not see how he expects to be able to reduce the evil of failed candidates. The colleges on the Bombay side satisfy most of the conditions that the Hon'ble Member insists upon, and yet the problem of the failed candidates is as much with us there as it is here. As regards the discontented B.A., assuming that he is really discontented, will the Hon'ble Member tell me how his proposed reconstitution of the Universities will make him any more contented? Does he not know that Indians, educated at Oxford or Cambridge, who bring away from their Universities more than a 'scant modicum of learning' and a by no means 'exaggerated estimate of their own capacities' are found on their return to India to be even more 'discontented' than the graduates of the Indian Universities? The truth is that this so-called discontent is no more than a natural feeling of dissatisfaction with things as they are, when you have on one side a large and steadily growing educated class of the children of the soil, and on the other a close and jealously-guarded monopoly of political power and high administrative office. This position was clearly perceived and frankly acknowledged by one of the greatest of Indian Viceroys—Lord Ripon—who, in addressing the University of Bombay in 1894, expressed himself as follows :—' I am very strongly impressed with the conviction that the spread of education and especially of Western culture,

carried on as it is under the auspices of this and the other Indian Universities, imposes new and special difficulties upon the Government of this country. It seems to me, I must confess, that it is little short of folly that we should throw open to increasing numbers the rich stores of Western learning; that we should inspire them with European ideas, and bring them into the closest contact with English thought; and then that we should, as it were, pay no heed to the growth of those aspirations which we have ourselves created, and of those ambitions we have ourselves called forth. To my mind one of the most important, if it be also one of the most difficult, problems of the Indian Government in these days is how to afford such satisfaction to those aspirations and to those ambitions as may render the men who are animated by them the hearty advocates and the loyal supporters of the British Government.' My Lord, I think it is in the power of Government to convert these 'discontented B.A.'s. from cold critics into active allies by steadily associating them more and more with the administration of the country, and by making its tone more friendly to them and its tendencies more liberal. This, I think, is the only remedy for the evil complained of, and I am sure there is none other.

My Lord, in the speech of the Hon'ble Member, to which I have already referred, he has argued as follows:—
The evils of the discontented B.A.'s and the great army of

failed candidates cannot be combated without improving the methods of teaching and examination which produce these results. Such improvement cannot, however, be secured without reconstituting the Senates of the different Universities. Therefore it is that the Government has thought it necessary to come forward with the proposals embodied in the present Bill." Now, my Lord, I do not think the discontented B.A.'s will grow rarer or that the ranks of the army of failed candidates will become thinner after this Bill becomes law. But even if this object of the Hon'ble Member be not likely to be achieved, I am willing to admit that it would be a great and worthy end to attempt an improvement for its own sake in the methods of teaching and examination, and if any one will make it clear to me that this end is likely to be attained by the adoption of the proposals embodied in this Bill, I shall be prepared to give my most cordial support to this measure. For, my Lord, I have long felt that our present methods of both teaching and examination are very imperfect and call for a reform. But as far as I can see, there is little in this Bill which will in any way secure that object. It is true that the Hon'ble Sir Denzil Ibbetson, in his brief but eloquent speech at the first reading, spoke of the necessity of raising the character of the teaching at present imparted in Colleges and he announced that Government had decided 'to make for five years special grants in aid of Universities and

Colleges whose claims to special assistance in carrying out the reforms which we have in view are established, subject to an annual limit of five lakhs of rupees.' The announcement is a most welcome one, but it is difficult to see what reforms the Government has in view, and until further details about the Government scheme are forthcoming, no definite opinion can be pronounced on it. Moreover, we are just now considering the Bill, and so far as its provisions are concerned, there need not be the least change in the present state of things, so far as the Colleges in the Bombay Presidency are concerned. But, my Lord, while it is difficult to allow the claim of the Hon'ble Sir. Raleigh that this Bill will lead to an improvement in the methods of teaching and examination, there can be no room for doubt that the first and most obvious effect of the passing of this measure will be to increase enormously the control of Government over University matters, and to make the University virtually a Department of the State. This increase of control is sought to be secured both directly and indirectly—directly by means of the new provisions about the acceptance of endowments and the appointment of University Professors and Lecturers, the affiliation of Colleges and the making of regulations—and indirectly by the proposed reconstruction of the Senate and the power of censorship in regard to its composition which Government will now be able to exercise every five years. My Lord, if Government

cannot trust the Senate even to accept endowments without its own previous sanction, or to make appointments to endowed Professorships or Lectureships, if Government is to have the power to affiliate, or disaffiliate any institution against the unanimous opinion of both the Senate and the Syndicate, if it may make any additions it pleases to the regulations submitted by the Senate for its sanction and may even in some cases make the regulations itself without consulting the Senate, I do not see that much dignity or independence is left to the Senate under such circumstances. And when, in addition to so much direct control, Government takes to itself the power of not only nominating practically nine-tenths of the Fellows but also of revising their lists every five years, I think no exception can be taken to the description that the Senate under the circumstances becomes a Department of the State. My Lord, much was said during the last three years about the necessity of giving a preponderant voice to men actually engaged in the work of education in the deliberations of the University ; very little, on the other hand, was heard about the necessity of increased Government control. In the proposals, however, with which Government has now come forward while no statutory provision has been made for a due representation of Professors and teachers in the composition of the Senate, Government has virtually absorbed nearly all real power and made everything depend-

ent upon its own discretion. The spirit in which the Government has chosen to deal with the Universities in this Bill appears to me to be more French than English. Was it really necessary to revolutionize their position so completely in the interests of education alone? After all, Government itself is responsible for the composition of existing Senates, and what guarantee is there that the power of nomination, which has been admittedly exercised with considerable carelessness in the past, will be used any better in the future? Moreover, there are men on the existing Senates who have all along taken great interest in the affairs of the Universities, but who have perhaps made themselves disagreeable to those who are regarded as the special representatives of Government in those bodies. And it is very probable that these men may not be included among those who will now form the reconstructed Senates. If this happens, will it be just? My Lord, I am personally not opposed to the idea of a limited Senate, and were the question not complicated by fears of probable injustice in the first reconstruction, I should even be disposed to support the idea strongly. I also recognize that, if we are to have a limited Senate, it is necessary to provide for a certain number of seats falling vacant every year, so that there should be room for a continuous introduction of qualified new men; and if these vacancies cannot be expected to arise in the natural course of things

—by retirement or death—it is necessary to make the Fellowships terminable. But one essential condition in a scheme of a limited Senate with terminable Fellowships is that a large proportion of seats should be thrown open to election, so that those who do not see eye to eye with the special representatives of Government, may not be deterred from taking an independent line by the fear of displeasing Government. But to make the Fellowships terminable in five years and to keep practically nine-tenths of the nominations in the hands of Government will, in my humble opinion seriously impair all real independence in the deliberations of the University. My Lord, there are, in the special circumstances of this country, three different interests which really require to be adequately represented in the University Senate. There is first the Government, which is of course vitally concerned in the character of the education imparted; then there are the Professors and teachers who are actually engaged in the work of instruction; and last, but not least, there are the people of this country, whose children have to receive this education and whose whole future is bound up with the nature of the educational policy pursued. These three interests are not—at any rate, are not always thought to be—identical, and I think it is necessary to secure an adequate representation to each one of them. My Lord, I feel that it is only reasonable to ask that, as far as possible, each interest

may be represented by about a third of the whole Senate. Thus, taking the case of Bombay, I would fix the number of ordinary Fellows at 150, and of these, I would have 50 nominated by Government, 50 either elected by or assigned to different colleges, and the remaining 50 thrown open to election by the graduates of different Faculties of more than ten years' standing. In giving representation to colleges, I would take into consideration all those points which the Government wants to be considered in affiliating an institution. Of course a majority of the representatives of colleges will as a rule vote with Government nominees, and Government will thus have a standing majority in favour of its views. I would make these Fellowships terminable at the end of ten years, which would provide for 15 vacancies every year. I venture to think, my Lord, such a plan will duly safeguard all the different interests. I may mention that in the new Constitution of the London University, out of 54 Fellows, 17 are elected by graduates, 17 by Professors and teachers, 4 are appointed by the Crown, and the rest are nominated by certain bodies and institutions. Failing the plan which I have suggested, I would support the scheme proposed by the Hon'ble Mr. Justice Guru Das Banerji in his minute of dissent. It is impossible for me to support the proposals put forward on this point by Government in the Bill.

My Lord, I must not discuss any of the details of the Bill at this meeting, though I have a good deal to say about many of them. But one or two remarks I will offer on two other points, which in my opinion are points of principle. The first is the provision in the Bill to give at least half the number of seats on the Syndicate for the different Faculties to Professors and teachers. My Lord, I am opposed to this provision. I would give a large representation to these men on the Senate, but having done that, I would leave the Syndicate to be composed of those whom the Senate consider to be best qualified. How would the proposed provision work in the case of the Bombay University? In the Faculty of Arts, the provision will not cause any inconvenience, and, as a matter of fact, the present practice is to have half the men in this Faculty from the ranks of Professors. But in the Faculty of Law, what will be the result? There is only one Law School in Bombay, which is a Government Institution. The Professors are generally junior barristers, who stick to their posts till they get on better in their profession. They are generally not Fellows of the University. And yet, if this provision is adopted, they will first have to be appointed Fellows, and then straightway one of them will have to be put on the Syndicate in place of a High Court Judge or a senior barrister, who represents the Faculty at present on the Syndicate. Again, in the Faculty of Engineer-

ing, the present practice is to elect eminent Engineers in the service of Government. The Engineering College of the Presidency is at Poona, and it will be a matter of serious inconvenience to insist on one of the Professors of that College being necessarily elected a Syndic. Moreover, my Lord; I really think it is not desirable to prop, thus, by means of the statute, men whom the Senate—and especially the reconstructed Senate—does not care to put on the Syndicate. Another point on which I would like to say a word is the provision in this Bill that henceforth all institutions applying for affiliation must satisfy the Syndicate that they have provided themselves with residential quarters. In the first place, what is to happen, if they build the quarters, and then find that affiliation is refused? And secondly, I submit that such a condition will practically prevent the springing into existence of new Colleges and will, if made applicable to old Colleges, as the Syndicate is empowered to do, wipe out of existence many of those institutions—especially on this side of India—which in the past have been encouraged by the Government and the University to undertake the work of higher education. I freely recognize the great advantages of residence at a College, but if I have to choose between having no College and having a College without residential quarters, I would unhesitatingly prefer the latter alternative. My Lord, the people of this country are proverbially poor, and to

impose on them a system of University education, which even a country like Scotland does not afford, is practically to shut the door of higher education against large numbers of very promising young men.

My Lord, I have spoken at so much length at this stage of the Bill, because the issues involved in this attempt at reform are truly momentous. I confess that there is a good deal in this Bill with which I am in hearty sympathy. But the main provisions of the Bill are so retrograde in character that it is impossible for me to support the measure. My Lord, I have already admitted and I admit again, that there are serious defects in the methods of teaching and of examination pursued at present in this country. But the present Bill in my opinion offers no remedy calculated to cure the evil. I really think, my Lord, that the Government has begun the work of University reform at the wrong end. It is not by merely revolutionizing the constitution of the Universities that the object which all well-wishers of education in this land have equally at heart will be attained. It seems to me that the first step in the work of real reform is for Government to make its own Colleges model Colleges. Bring out from England the best men available for this work. I would place them on a level with members of the Civil Service, as regards pay and promotion. When I think of the great responsibilities of these men—of how much of the future of this country and of British

rule depends upon the influence they succeed in exercising on the young minds committed to their care—and when I think of the more or less stereotyped character of the work which a majority of the Civilians have at present to perform, I am astonished that Government does not see how necessary it is to secure even a better type of men for its Colleges than for the administration of the country. If Government will bring out only the best men available—men who know how to combine sympathy with authority and who, for their learning and character, will continue to be looked up to by their pupils all their life,—there will, in a few years, be a marked change in the tone of Government Colleges in India. And the private Colleges will find themselves driven to work up to the level of Government institutions. One word more on this subject and I have done. Let not Government imagine that, unless the education imparted by Colleges is the highest which is at the present day possible, it is likely to prove useless and even pernicious; and secondly, let not the achievements of our graduates in the intellectual field be accepted as the sole, or even the most important, test to determine the utility of this education. I think, my Lord—and this is a matter of deep conviction with me—that, in the present circumstances of India, *all* Western education is valuable and useful. If it is the highest that under the circumstances is possible, so much the better. But

even if it is not the highest, it must not on that account be rejected. I believe the life of a people—whether in the political or social or industrial or intellectual field—is an organic whole, and no striking progress in any particular field is to be looked for, unless there be room for the free movement of the energies of the people in all fields. To my mind, the greatest work of Western education in the present state of India is not so much the encouragement of learning as the liberation of the Indian mind from the thralldom of old-world ideas, and the assimilation of all that is highest and best in the life and thought and character of the West. For this purpose not only the highest but *all* Western education is useful. I think Englishmen should have more faith in the influence of their history and their literature. And whenever they are inclined to feel annoyed at the utterances of a discontented B.A., let them realize that he is but an accident of the present period of transition in India, and that they should no more lose faith in the results of Western education on this account than should my countrymen question the ultimate aim of British rule in this land, because not every Englishman who comes out to India realizes the true character of England's mission here."

[At a meeting of the Imperial Legislative Council held on the 18th March 1904, His Excellency Lord Curzon presiding, the Hon. Sir. Raleigh moved that the Report of the

Select Committee on the Bill to amend the law relating to the Universities of British India be taken into consideration. In opposing it, the Hon. Mr. G. K. Gokhale spoke as follows.]

My Lord, it is only two weeks to-day since the Government of India carried through the Council a highly controversial measure, which had evoked a perfect storm of hostile criticism throughout the country. The echoes of that controversy have not yet died out, when the Council is called upon to consider and pass into law another measure even more contentious and vastly more important than the last one. My Lord, if the position of those who opposed the Official Secrets Bill on the last occasion was, from the beginning, a hopeless one by the reason of the large majority which the Government can always command in this Council, that of those who deem it their duty to resist the passage of the Universities Bill to-day is even more hopeless. In the first place our ranks, thin as they then were, are even thinner to-day. Two of our colleagues who were then with us, are, in this matter, against us and will no doubt give their powerful support to the Government proposals. Secondly, Anglo-Indian public opinion, which was, if anything, even more pronounced than Indian public opinion in its condemnation of the Official Secrets Bill, is, in regard to this measure, for the greater part, either silent or more or less friendly. Thirdly, both Your Lordship and the Hon'ble Member in charge of the

Bill are recognized to be distinguished authorities on educational matters, and the Government have further strengthened their position by the appointment to this Council of four prominent educationists from four different Provinces for the special purpose of assisting in the passage of this Bill. Last but not least, not only do the Government attach the greatest importance to this measure, but they also feel most keenly on the subject, as was clearly seen in December last, when the Hon'ble Member in charge of the Bill, in replying to some of my observations, spoke with a warmth which, from one of his equable temper and his philosophic cast of mind, must have surprised the Council, and when even Your Lordship—if I may be permitted to say so—spoke in a tone of severity which I ventured to feel I had not quite deserved. My Lord, it is a matter of every-day human experience that, when men feel strongly on a point, there is a smaller chance of their appreciating properly the case of their opponents than if there were no feeling involved in the matter. The fight to-day is thus for several reasons even more unequal than on the last occasion. But those who are unable to approve the proposals of Government feel that they have an obvious duty to perform in the matter, and they must proceed to the performance of that duty, however heavy may be the odds against them.

My Lord, what is this measure of University reform, round which so fierce a controversy has raged for some

time past ? Or I will ask the same question in another form. What is it that this Bill seeks to achieve, which could not have been achieved without special legislation ? For an answer to this question we must turn to the provisions of the Bill, and these provisions we may classify under three heads. First, those dealing with the expansion of the functions of the Universities ; secondly, those dealing with the constitution and control of the Universities ; and, thirdly, those dealing with the control of affiliated Colleges. Of these, I would willingly have assented to the last group, had those provisions stood by themselves—unaccompanied by the constitutional changes proposed in the Bill. My Lord, no true well-wisher of the country can object to the Universities in India exercising a reasonable amount of control over their Colleges, as such control is necessary to enforce properly those obligations which affiliated institutions are understood to accept when they come forward to undertake the responsibility of imparting higher education. But there are reasons to fear that, in the hands of the reconstituted Senate and Syndicates, these provisions will operate to the prejudice of indigenous enterprise in the field of higher education, and this, of course, largely alters their complexion. But whether one's fears on this point are well or illfounded, one thing is clear—that the present Bill was not needed to enable Universities to exercise this control over their Colleges. For the

University of Madras has, under the existing law, framed regulations for this purpose, which are substantially the same as those contained in this Bill; and what Madras has done, the other Universities could very well do for themselves. Surely, all this convulsion, which the Bill has caused, was not necessary to enable these bodies to do that which they have the power to do under the existing law! Again, in regard to the provisions empowering the Universities to undertake teaching functions, I hope I am doing no injustice to the authors of the Bill, if I say that they themselves attach only a theoretical value to these provisions. The Allahabad University has possessed these powers for the last sixteen years, and yet that University is as far from undertaking such functions as any other in India. The truth, My Lord, is that, in addition to other difficulties inherent in the position of our Universities, their conversion into teaching bodies, even to the limited extent to which it is possible, is essentially a question of funds, and as there is no reason to assume that private liberality will flow in this direction after the Bill becomes law, and Government will not provide the resources necessary for the purpose, these enabling clauses are, as in the case of Allahabad, destined to remain a dead letter for a long time to come. The Government themselves do not seem to take a different view of the matter, as, after including these provisions in the Bill, they are content to leave the rest to time,

with the expression of a pious hope that some day somebody will find the money to enable some University in India to undertake teaching functions ! While, therefore, I am prepared to recognise that these provisions embody a noble aspiration, I must decline to attach any great value to them for practical purposes, and, in any case, they are no set off against the drastic changes proposed in the constitution of the Universities. We thus see that for enabling the Universities to exercise efficient control over their Colleges this Bill was not required at all ; while, though new legislation was necessary to enable the older Universities to undertake teaching functions, a Bill so revolutionary in character was not needed for the purpose. The claim of the Bill to be regarded as an important measure of reform must, therefore, rest on the provisions dealing with the constitution and control of the Universities. My Lord, I have tried to examine these provisions as dispassionately as I could and to put as favourable a construction on them as possible ; and yet I cannot resist the conclusion that, while the good they may do is at best problematical, the injury that they will do is both certain and clear. In the minute of dissent which I have appended to the Select Committee's Report, I have discussed at some length the real nature and the probable effect of these provisions. I have urged there five principal objections to the constitutional portion of the Bill ; namely, (1) in making a

clean sweep of existing Senates and in giving them no voice whatever in the nomination of the first new Senates, the Bill inflicts an unmerited indignity on men who have on the whole done good work in the past; (2) the Bill fails to provide for election by Professors, and yet this is the class of men that has more immediate interest than any other in the deliberations of the University; (3) the numbers of the new Senates are fixed too low; (4) the proportion of seats thrown open to election is too small, while that reserved for Government nomination is too large; and (5) the five years' limit to the duration of a Fellowship aggravates the evil of an overwhelming number of seats being in the gift of Government. And I have expressed my belief that the effect of these provisions will be virtually to dissociate the Indian element from the government of the Universities and to put all directive and administrative power into the hands of European Professors, within such limits as the Government may allow. The supporters of the Bill practically admit the correctness of this contention by saying that the main purpose of the Bill is to get rid of the old Senates, which contain a large unacademic element, and to create new Senates, which shall be academic in their composition, under guarantees of their always retaining this character. It is urged by these men that, as the Universities are intended for imparting Western education; it is only proper that their direction

should be mainly in the hands of Europeans ; and we are further told that the presence of a large unacademic element in the existing Senates has tended to lower the standard of University education and to impair discipline. Especially has this been the case, so we are assured, with the University of Calcutta, and a writer, writing under the name of 'Inquisitor,' has spent considerable industry and ingenuity in demonstrating how both efficiency and discipline have suffered as a result of Indians—especially Indians unconnected with the profession of teaching—having a substantial voice in the deliberations of that University. My Lord, I am myself personally unacquainted with the working of the Calcutta University, but I have made inquiries, and I find that, while there may be some room for the complaint which 'Inquisitor' makes, the evil has been greatly exaggerated, and, in any case, there are facts on the other side which he might well have included in his statement. For instance, he might have told us that in 1881 no less an educationist than Sir Alfred Croft brought forward a proposal for removing classical languages from the list of compulsory subjects, and it was mainly by the votes of the Indian Fellows present and by the casting vote of the chairman that the proposal was rejected. I would like to know how the Hon'ble Mr. Raleigh or the Hon'ble Dr. Bhandarkar would regard such a proposal to-day. Again, we find that, in 1893, a Committee consisting

almost entirely of educational experts, including several prominent European educationists, declined to approve a rule laying down that no teacher in a recognized school should teach more than sixty pupils at the same time, Dr. Gurudas Banerjee being the only member of the committee who stood out for such a rule. In 1894, on a motion brought forward by Surgeon Colonel McConnell, supported by Professor Rowe and Surgeon Colonel Harvey, the regulation which required candidates for the M.D. degree to have passed the B.A. examination was rescinded, and it is worth remembering that the motion was opposed by an Indian member, Dr. Nil Ratan Sarkar. Even in the well-known case of a prominent Calcutta College, when a serious charge was brought against the working of its Law Department, it is a remarkable circumstance, which, 'Inquisitor' might have mentioned, that the Syndicate, which proposed a temporary disaffiliation of the Law branch of the College, was unanimous in making the recommendation, and of the nine members who voted for this proposal, seven were Indians, six of them being again unconnected with the profession of teaching. My Lord, I have mentioned these few facts to show that a wholesale condemnation of Indian Fellows—even of such of them as have been unconnected with the work of education—is neither fair nor reasonable, and that the position in reality comes very much to this—that, when Englishmen have proposed changes

in the existing order of things, nothing is said, but, when similar changes have been proposed by Indian Fellows, the cry that efficiency or discipline is in danger has been raised without much hesitation by those who would like to keep the management of University affairs mainly in European hands.

My Lord, if any one imagines that the passing of this Bill will lead to an improvement in the quality of the instruction imparted in Colleges, he will soon find that he has been under a delusion. Even those who make the more guarded statement that the Bill, by providing an improved machinery of control, will bring about a steady and sure reform in the character and work of affiliated institutions, will find that they have been too sanguine in their expectations. My Lord, after nearly twenty years' experience as a teacher I lay it down as an incontestable proposition that a teacher's work with his students is but remotely affected by the ordinary deliberations of a University, and that, if he finds that he is unable to exercise on their minds that amount of influence which should legitimately belong to his position, he may look within himself rather than at the constitution of the Senate or the Syndicate for an explanation of this state of things. Of course in regulating the courses of instruction, and prescribing or recommending text-books, the University determines limits within which the teacher shall have free scope for his work. But these courses of instruction,

once laid down, are not disturbed except at considerable intervals, and in regard to them as also in regard to the selection of text-books the guidance of the expert element is, as a rule, willingly sought and followed. The substitution of an academic Senate for one in which there is a considerable mixture of the lay element will no doubt effect some change in the character of University debates; but that cannot affect the work done in Colleges in any appreciable degree. For an improvement in this work, we want better men, more money and improved material. The first two depend, so far as Government Colleges are concerned, on the executive action of Government, which could be taken under the old law and which has no connection whatever with the present Bill. And when an improvement takes place in the manning and equipment of Government institutions, the private Colleges will find themselves driven, as a matter of course, to raise their level in both these respects. As regards improvement in the material on which the College Professors have to work, that depends on the character of the instruction imparted in secondary Schools, and the character of the examinations prescribed by the University. Of these two factors, the education given in High Schools is not affected by this Bill, and the character of the examinations, which I have long felt to be most unsatisfactory, will continue practically the same under the new *regime* as under the old, since

examiners will continue to be drawn from the same class as now, and the conditions of their work will also continue the same.

Unless, then, there is an improvement in the manning and equipment of Colleges, and in the quality of the material on which Professors have to work, it is idle to expect any improvement in the work done in these Colleges. My Lord, I go further and say that, even if better men and more money and improved material were available, the improvement is bound to be slow. The three factors of men, money and material will have to act and re-act on one another continuously for some time, before a higher academic atmosphere is produced, without which there can be no real elevation of the standard of University education. To this end, the Bill has, as far as I see, very little contribution to make. There is, indeed, one way in which the Bill can help forward such a result, and that is—if under its operation the Universities are enabled, by funds being placed at their disposal, to establish University chairs. The institution of such chairs, especially if supplemented by a large number of research scholarships in the different Provinces for more advanced students, will powerfully stimulate the creation of that higher academic atmosphere of which I have spoken. But it seems this is just the part of the Bill which will not come into operation for a long time to come. It will thus be seen that the

Bill has very little connection with the improvement of the work done in the affiliated Colleges of the Universities. It may, however, be said that the creation of academic Senates is in itself a desirable end, since, in other countries, the government of the Universities is in the hands of those who are engaged in the work of teaching. My Lord, my reply to this argument is that the whole position is exceptional in India; and that it is not fair to the people of this country that the higher education of their children should be under the exclusive control of men who want to leave this country as soon as they can, and whose interest in it is, therefore, only temporary. Of course, the Professors must have a substantial voice in the deliberations of our Universities; but with them must also be associated, almost on equal terms, specially for the purpose of determining the broader outlines of educational policy, representatives of the educated classes of India. And, my Lord, it is because the Bill proposes to ignore this aspect of the question, and practically reverses the line of policy adopted by Government in this matter for the last half a century that I look upon the measure as a distinctly retrograde one. The highest purpose of British rule in India, as I understand it, is not merely to govern the country well, but also to associate, slowly it may be, but steadily, the people of this country with the work of administration. In proportion as a given measure

helps forward this purpose, it makes for true progress. Whatever, on the other hand, has the contrary tendency deserves to be declared as reactionary. There is no doubt whatever that under this Bill the proportion of Indian members in the Senates of the different Universities will be much smaller than at present. The Fellows elected by graduates will, as a rule, be Indians; the Faculties will consist almost entirely of Government nominees and of such other persons as these nominees may co-opt. There is not much room for the hope that any considerable proportion of the Fellows elected by these Faculties will be Indians. As regards Government nominations, their choice will naturally first fall on European educationists; then will come European Judges, Barristers, Civilians, Engineers, Doctors and such other people. As the numbers of the new Senates are now to be very small, one can easily see that there is hardly any margin for the inclusion of any except a very few most prominent Indians in the Government list. The Senates of the future will thus be dominantly Europeans, with only a slight sprinkling of Indians just to keep up appearances. And it is these Senates and the Syndicates elected by them that are armed with powers of control over affiliated Colleges, which may easily be abused. My Lord, it fills me with great sadness to think that, after fifty years of University education in this country, the Government should have introduced a measure

which, instead of associating the Indian element more and more with the administration of the Universities, will have the effect of dissociating it from the greater part of such share as it already possessed. I think the ascendancy of Englishmen in India in any sphere of public activity should rest, if it is to be of real benefit to the country, on intellectual and moral, and not on numerical or racial grounds. My Lord, in your speech on the Budget of last year, Your Lordship thought it necessary to address a caution to the opponents of this Bill. You asked them not to assume that 'all the misguided men in the country were inside the Government, and all the enlightened outside it.' If any of the critics of this Bill had ever made such a preposterous assumption, they well merited the caution. But it sometimes seems to me that the supporters of this Bill argue as though the reverse of that assumption was justified, and that every one who was opposed to this Bill was either a misguided person or an interested agitator. My Lord, I do hope that, whatever our deficiencies, we are not really so dense as to be incapable of understanding what is now our interest, and what is not, nor, I hope, are we so wicked and ungrateful as to bite the hand that is stretched to feed us. It is because we feel that this Bill is of a most retrograde character and likely to prove injurious to the cause of higher education in the country that we are unable to approve its provisions, and it is

because I hold this view that I deem it my duty to resist the passage of this Bill to the utmost of my power.

[At the same meeting, while the Report of the Select Committee was being considered, the Hon'ble Mr. Gokhale moved that, from the preamble, the word "Bombay", wherever it occurs, and the reference to Act XXII of 1857 be omitted, and the words "except Bombay" be added after the words "British India." He said:—]

My Lord, my object in moving this amendment is to enter my protest at this Council against the Government of India proposing to deal in one Bill with five different Universities, having different histories and growth, and to raise my voice in a formal manner against the unjust condemnation which this Bill impliedly passes on the work and character of the Bombay University as at present constituted. In the course of the discussions in the Select Committee over this Bill, the case of the Calcutta University was again and again mentioned to justify the inclusion within the Bill of provisions to which exception was taken on the ground that they were unnecessary and might even prove harmful in other Provinces. We were repeatedly told that the Calcutta University had drifted into such a position that there was no hope for it without a drastic measure of reform, such as is contemplated in this Bill. My Lord, if the state of things in Calcutta was really so hopeless, what was there to prevent the Government

from undertaking an amendment of the Calcutta University Act on such lines as they thought proper? The wisdom and foresight of those who passed the original Acts of Incorporation for the three older Universities had made it easy for the Government to adopt such a course. Those Acts were identical in their wording, and yet they were passed separately for each one of the three Universities, so that whatever amendment was subsequently found necessary as a result of the special circumstances of each case might be made without interfering with the natural growth of the other Universities. Or, if the Government of India wanted that certain general principles should be introduced or emphasized in the constitution of the different Universities in India, the proper course for them to pursue was to have laid down these principles in a general Resolution, and to have directed the Local Governments to introduce amending legislation to give effect to them without doing any undue and unnecessary violence to the special character and growth of each University. It would then have been possible to legislate for the different Universities in India with a full knowledge of local conditions, and after giving due weight to local objections and criticisms. And we should not have witnessed the spectacle of men generalizing for five Universities from their knowledge of a single University, and assisting in the work of legislation for Universities other than their own, in greater or less igno-

rance of their special conditions. If the amending legislation for Bombay had been undertaken in the Bombay Legislative Council instead of here, I am confident that the Bill would have been much more satisfactory, as the changes proposed would have had to face the fullest discussion and the closest scrutiny on the spot. My Lord, I see no justification for extending the provisions of this Bill to the case of the Bombay University; the record of that University is on the whole such that it may well regard it with a sense of satisfaction. It has been a record of powers well and judiciously exercised, of continuous attempts to raise the standard of education by a revision of the courses of instruction from time to time, and in other ways. Take, for instance, the question of the affiliation of Colleges. There are only eleven Arts Colleges in the whole of the Bombay Presidency, and of these, only one is a second grade College, and that is in the Native State of Kolhapur. Of these eleven Colleges, two are Government institutions, four more are in Native States with the resources of these States at their back, two more are maintained by Municipal bodies with the assistance of the Government and of the general public, and only three are private Colleges, of which two are missionary institutions and one only of indigenous growth. All these private Colleges receive substantial grants-in-aid from Government. In the case of not a single one of these Colleges can it be said that it has

been started for private gain. Their constant endeavour has been to place better and better facilities for real education at the disposal of their students. All these Colleges, with the exception of the second grade College at Kolhapur, provide residence in College for at least a part of their students. In my College we have built residential quarters for more than half of our students, and two of our Professors reside on College grounds. A large spot of 37 acres in one of the finest localities outside the city of Poona has been secured for the College, and College buildings with residential quarters for the students and houses for Professors have been built thereon. We are making continuous additions to our library and laboratory, and in fact no effort is being spared to make the College as much a seat of true College life as it is, in existing circumstances, possible. What is true of my College is true of other Colleges in the Presidency also. Only Bombay and Poona have more than one College each, Bombay having three and Poona two. No suggestion has ever been made that any College encourages a spirit of low rivalry such as is justly objected to by the Universities Commission in their Report: there is of course room, great room, for improvement in the Bombay Colleges; but that is, in reality, a question of men and means, and this Bill has no connection with it. Again, it cannot be urged with any regard for fairness that the Bombay Senate has ever attempted to

lower the standard of efficiency or discipline. On the other hand, it has steadily striven to raise its standards for the different examinations. Thus, taking its work in the Faculty of Arts, we find that it has extended the old course of three years between Matriculation and B.A. to four years: substituted two examinations in place of the old F.E.A., made History and Political Economy compulsory subjects in the B.A., and raised considerably the standard of English and the classical languages required for the several examinations. In all matters relating to courses of instruction and the selection of text-books it has invariably followed the advice of educational experts. So far as I know, there have been only two occasions of importance on which there has been a difference of opinion between a majority of European educational experts and the general body of the Senate, but these were matters not specially falling within the particular sphere of the experts, and in regard to both of them I think the Senate was right in its decision. One such occasion was when the Deans of the several Faculties were made *ex officio* members of the Syndicate. Though the experts opposed this reform at the time, they themselves admit now that it has proved useful. The second occasion was when an attempt was made to introduce examinations by compartments after the Madras system. The reform was recommended by a Committee which included two European educationists—Dr. Peterson

and the Rev. M. Scott; but a majority of European experts in the Senate opposed it, and, though the proposal was carried in the Senate, it was subsequently vetoed by Government. But whatever difference of opinion there may be about the soundness or unsoundness of the proposal, I think it is absurd to describe it as an attempt to lower the standard of University education. It may be asked why, if the state of things has on the whole been so satisfactory in Bombay, so many of the European educationists there are supporting the Bill. The answer to that, I think, is simple. By this Bill the Government of India go out of their way to make a present of a permanent monopoly of power to European educationists, and it is not to be expected that they should raise any objection to such a course. One of the strongest supporters of this Bill on our side is our present Vice-Chancellor. He was a member of the Universities Commission and has signed the Commission's Report. Well, twelve years ago, when an attempt was made by the Bombay University to secure an amendment of its Act of Incorporation, Dr. Mackichan took a most active part in the deliberations of the Senate. And he then was strongly in favour of fixing the number of Fellows at 200, of giving no statutory recognition to the Syndicate with or without a Professorial majority, and of leaving a large measure of independence to the University. Of course, he has every right to change his views, but

that does not mean that those who now hold the views which he so strongly advocated twelve years ago are necessarily in the wrong. My Lord, it is true that certain educational experts have in the past exercised a commanding influence in the deliberations of our Senate, and it is also true that men who have succeeded to their places have not necessarily succeeded to that influence. But the great educationists who ruled our University in the past did so not merely because they were educational experts, but because they were men bound to lead wherever they were placed. Such great influence has also, sometimes, been exercised by men not actually engaged in the work of teaching. Of the former class, Sir Alexander Grant and Dr. Wordsworth may be mentioned as the most shining examples. Of the latter class have been men like Sir Raymond West, the late Mr. Telang, the late Mr. Ranade and the Hon'ble Mr. P. M. Mehta—all lawyers, be it noted. Their influence has been due to their great talents and attainments, their sincere devotion to the cause of higher education, and their possession of that magnetic personality without which no man, however learned, can hope to lead even in a learned assembly. To object to the ascendancy of such men over the minds of their Fellows is really to quarrel with the laws of human nature. My Lord, I submit the Bombay Senate has not deserved to be extinguished in so summary a fashion as this Bill proposes, and I,

therefore, move that the Bill be not extended to Bombay.

[At the same meeting, replying to the remarks of other members on his amendment, the Hon. Mr. Gokhale made the following speech.]

In replying to the speeches made on my amendment I would first deal with what has fallen from the Hon'ble Sir Denzil Ibbetson. The Hon'ble Member imagines that I have stated that the Senate of Bombay needs no reform whatever, and that things are so satisfactory that everything ought to be kept as it is. My memory does not charge me with having ever said any such thing. I have made two speeches in this Council and written a Note of Dissent. Nowhere have I said that the state of things in Bombay ought to be allowed to continue as it is and that no reform is needed; but because I am not prepared to say that the state of things is wholly satisfactory, therefore, it does not follow that I am bound to accept or approve of every suggestion of those who have undertaken the work of reform. As regards the complaint that we have no alternative remedy to propose, I submit, my Lord, that it is not a just complaint. As a matter of fact, Sir Raymond West, an eminent educationist, had drafted a Bill for reforming the constitution of the Bombay University more than twelve years ago. This had met with the acceptance of a large number of persons interested in the work of education, and, if reference is made to that

measure, Government will find that there is an alternative scheme, which would be generally acceptable. The Hon'ble Member says that, if Dr. Mackichan has changed his views after twelve years, that is an argument in favour of this Bill. But when Dr. Mackichan expressed these views he had already been Vice-Chancellor of the University, and if a man's views are in a fluid condition even when he has attained so high a position, I don't think that his change of views should carry so much weight as the Hon'ble Member seems inclined to attach to it.

Then the Hon'ble Sir Denzil Ibbetson says that, if this amendment is accepted, and if some other amendment is accepted, and if a third amendment is accepted, there will be very little left of the Bill. I, for one, will rejoice if the Bill is withdrawn altogether. We are not bound to pass a Bill as it stands, simply because it will be useless, if we do not pass the whole of it.

With regard to what has fallen from the Hon'ble Dr. Bhandarkar,—the learned Doctor was my Professor at College and I cannot speak of him or of anything that falls from him except with great reverence,—I would ask him to state facts as well as opinions, which I may remark, derive additional weight, if based on facts. I would like to know what reforms in the course of instruction were proposed by the experts, and resisted by the lay members of the Senate.

The Hon'ble Mr. Raleigh, to whose appreciative remarks about the Bombay University I listened with great pleasure, takes the same view as Dr. Bhandarkar, and he says that he was told by certain educational experts and Professors in Bombay that it was hopeless to get a hearing for any matter of educational reform at the meetings of the Bombay Senate. My answer to that is what I have already given to Dr. Bhandarkar. I would like to know the instances in which this occurred, because facts in this controversy are of more value than mere statements: I would like to know in how many cases attempts were made to introduce measures of reform by the experts, and in how many they were defeated in their attempts by the opposition of the non-expert element.

If these men merely stayed at home and thought that no reform that they proposed was likely to be accepted, and, in consequence, they did not attend the meetings of the Senate, I think that their position there was not quite justified. A member should not sit quietly at home under the impression that he would not get a hearing, and he failed in his duty unless he took active steps to introduce any measure of reform. The Hon'ble Member referred to Mr. Paranjpye of my College and to the evidence he gave when fresh from England. I shall be delighted if the Bombay University allows men like Mr. Paranjpye to regulate their courses of mathematical instruction, but I have here

the authority of my friend Dr. Mukhopadhyaya that it is difficult to get the Calcutta University to revise its mathematical courses of instruction because of the opposition of the experts. As a matter of fact, the strongest opposition to reform very often comes from men who are themselves teachers, whose standard is not very high, who are unwilling to read new books and who object to leaving familiar grooves. It is the professors of the Bombay Colleges that have for many years practically ruled the Syndicate, and I would like to know how often they used their power to effect reforms which they now say they have long been anxious to introduce.

[At the same meeting, the Hon. Rai Sri Ram Bahadur moved that from the preamble the word "Allahabad" and the reference to Act XVIII of 1887 be omitted, and the words "except Allahabad" be added after the words "British India". When some members had spoken against the amendment the Hon. Mr. Gokhale supported it in the following speech.]

My Lord, I have really no special knowledge of the state of things in Allahabad, but my curiosity has been aroused by the Hon'ble Mr. Raleigh's speech, and I trust Your Lordship will excuse a brief intervention on my part in this discussion. The Hon'ble Member says that when the Commission took evidence in Allahabad certain witnesses gave evidence to the effect that the state of things there was not quite satisfactory. Now

I would really like to know who these mysterious advisers of the Commission were. They could not have had much weight with the Government, since the Government of the United Provinces has expressed its disapproval of this Bill. They could not be men holding prominent positions in the educational world, since their most prominent educationists are members of the Syndicate, and the condemnation of the Bill by the Syndicate is described by the Registrar to be unanimous or nearly unanimous. They could not also be representatives of the general public, since the Graduates' Association, as representing the views of the general public, has expressed its disapproval of this Bill. If certain stray witnesses gave evidence to the effect that the state of things in Alkhabad was not satisfactory, surely neither the Commission nor the Government of India were justified in placing that above the opinion of the Local Government and of the educational experts.

My Lord, this question really raises another much larger question, and that is, are the Supreme Government justified—not legally, because they have the power legally—but morally, in overriding the wishes of the Local Government? The Supreme Government in this matter is merely a representative of authority: it is not a representative of educational knowledge or learning, though, in the present case, particular members of the Government may occupy distinguished positions in the educational world. And as the Government of India

only represents authority, and this authority has been delegated for local purposes to the United Provinces Government, when that Government is opposed to a measure like this, I think the Government of India has no moral right to impose a measure like this upon those Provinces.

There is another point about which I would say a word—and that has been suggested to me by the course of this discussion in support of having one and the same Bill for all these different Universities. That argument seems to me to be moving in a vicious circle. We are asked to pass this Bill for all the five Universities together, but we are practically told that, if each University had stood by itself, such a Bill would not have been introduced in its case. Thus the Hon'ble Mr. Raleigh has told us that, had the Bombay University stood alone, such legislation as the one proposed would not have been undertaken. He also says that the Calcutta University is as good as any other. Then Sir Arundel Arundel tells us that, if Madras alone had been affected by the Bill, it would not have been required; the Hon'ble Sir Denzil Ibbetson protests that the Punjab University is not a whit behind any others; and lastly, Mr. Morison says that the Allahabad University is really the best of all Universities. I would really like to know then which University it is whose sins have brought down upon the heads of all the wrath of the gods.

[At an adjourned meeting of the Imperial Legislative Council, held on Monday the 21st March 1904, His Excellency Lord Curzon presiding, the Hon. Sir T. Raleigh moved that the Indian Universities Bill, as amended, be passed. In resisting the motion, the Hon. Mr. Gokhale delivered the following speech.]

My Lord, the struggle is over. The opponents of the Bill have lost all along the line; and it only remains for them now to count up their losses—for gains they have had none. Let those who will say what they will; this Bill amounts to an emphatic condemnation, as unmerited as it was unnecessary, of the educated classes of this country. It amounts to a formal declaration on the part of the Government of India, made with the concurrence of the Legislative Council, that the system of University education which has been in vogue in this country for the last fifty years has been a failure; and that the men educated under that system have proved themselves unworthy of being associated, in any appreciable degree, with the administration of their own Universities. My Lord, I feel that my educated countrymen have a right to complain that this condemnation has been passed on them without giving them a fair hearing. I do not, of course, refer to the hearing which has been given to the opponents of this measure in this Council—for I gladly acknowledge the unfailing courtesy and patience with which the Hon'ble Member in charge has conducted the Bill through the

Council—but I refer to the fact that the Government of India decided to make these drastic changes on the one-sided representations of men who considered that, because they were engaged in the actual work of teaching, therefore, they were entitled to a virtual monopoly of power in the Universities. Five years ago, when Your Lordship first announced that the Government of India intended taking up the question of University reform, the announcement was hailed with satisfaction and even with enthusiasm all over the country. Last year, speaking on the occasion of the Budget debate, Your Lordship wondered how it was that the appetite of the educated classes for University reform, at one time so keen, had suddenly died down. My Lord, the explanation of the phenomenon lies on the surface. Five years ago, when this question was first taken up, Your Lordship defined your attitude towards University reform in a speech made as Chancellor of the Calcutta University at the Convocation of 1899. In that speech, after pointing out the difference between a teaching University and an examining University, Your Lordship proceeded to observe as follows :—

‘ Nevertheless, inevitable and obvious as these differences are there may yet be in an examining University—there is in such institutions in some parts of my own country and still more abroad—an inherent influence inseparable from the curriculum through which the student has had to pass before he can take his degree, which is not without its effect upon character and morals, which inspires in him something more than a hungry appetite for a

diploma, and which turns him out something better than a sort of phonographic automaton into which have been spoken the ideas and thoughts of other men. I ask myself, may such things be said with any truth of the examining Universities of India? I know at first sight that it may appear that I shall be met with an overwhelming chorus of denial. I shall be told, for I read it in many newspapers and in the speeches of public men, that our system of higher education in India, is a failure, that it has sacrificed the formation of character upon the altar of cram, and that Indian Universities turn out only a discontented horde of office-seekers, whom we have educated for places which are not in existence for them to fill. Gentlemen, may I venture to suggest to you that one defect of the Anglo-Saxon character is that it is apt to be a little loud both in self-praise and in self-condemnation? When we are contemplating our virtues we sometimes annoy other people by the almost pharisaical complacency of our transports; but, equally, I think, when we are diagnosing our faults, are we apt almost to revel in the superior quality of our transgressions. There is, in fact, a certain cant of self-depreciation as well as of self-laudation. I say to myself, therefore, in the first place, is it possible, is it likely, that we have been for years teaching hundreds and thousands of young men, even if the immediate object be the passing of an examination or the winning of a degree, a literature which contains invaluable lessons for character and for life, and science which is founded upon the reverent contemplation of nature and her truths, without leaving a permanent impress upon the moral as well as the intellectual being of many who have passed through this course? I then proceed to ask the able officials by whom I am surrounded, and whose assistance makes the labour of the Viceroy of India relaxation rather than toil, whether they have observed any reflection of this beneficent influence in the quality and character of the young men who enter the ranks of what is now known as the provincial service; and when I hear from them almost without dissent that there has been a marked upward trend in the honesty, the integrity, and the capacity of native officials in those depart-

ments of Government, then I decline altogether to dissociate cause from effect. I say that knowledge has not been altogether shamed by her children, grave as the defects of our system may be, and room though there may be for reform. I refuse to join in a wholesale condemnation which is as extravagant as it is unjust.

My Lord, the generous warmth of this most sympathetic utterance at once kindled throughout the country a great hope, and for a time it was thought that we were on the eve of a mighty reform which would change the whole face of things in regard to higher education in India. A liberal provision of funds for the encouragement of original research and of higher teaching, the institution of an adequate number of substantial scholarships to enable our most gifted young men to devote themselves to advanced studies, an improvement in the status and mode of recruitment of the Educational Service so as to attract to it the best men available, both European and Indian, the simplification of the preliminary tests, with a single stiff examination at the end of the course for ordinary students, so as to discourage cramming as far as possible—these and other measures of reform appeared to be almost within sight. It was, however, not long before the new-born hope that had thus gladdened our hearts was chilled to death, and we found that, instead of the measures we were looking for, we were to have only a perpetuation of the narrow, bigoted and inexpansive rule of experts. My Lord, it has been too freely assumed in the course of the discussions over this Bill

that all experts as a body are necessarily in favour of particular changes, and that laymen, on the other hand, as a class, are opposed to them. When the new regime is inaugurated, it will soon be discovered that it is a great mistake to think so. It is a matter of general experience that the greatest opposition to change has generally come from some of the experts themselves—the older men among the experts, who rarely regard with a friendly eye any proposal to make a departure from the order of things to which they have been long accustomed. The younger experts, on the other hand, always imagine that, unless changes of a radical character are introduced so as to reproduce, in however faint a manner, the condition of things with which they were familiar at their own University, the education that is given is not worth imparting. And as the older experts have naturally more influence, their opposition generally prevails, and in course of time the appetite of the younger men for reform gradually disappears. However, my Lord, I am sure the Council is quite weary now of listening to any more arguments about the rule of experts or any other features of the Bill, important or unimportant. Moreover, I have already twice spoken on the general character of the Bill. And I will therefore now refer to one or two points only, that arise out of this discussion, before I bring my remarks to a close. My Lord, it is, to my mind, a pain-

ful and significant circumstance that the present condemnation of the educated classes has been passed at the instance of men engaged in the work of education. I am astonished that these men do not realize that a part at least of this condemnation is bound to recoil on their own heads. The Hon'ble Mr. Pedler has told the Council of dishonest clerks, unscrupulous managers of Colleges, and convict Graduates. I do hope, for the Hon'ble Member's own sake as much as for the credit of the educated classes, that there has been another and a brighter side to his experience. Else, my Lord, what a sad sense of failure he must carry with him into his retirement! Happily all educationists have not been so unfortunate in their experience nor, if I may say so, so one-sided in their judgments. There have been men among them who have regarded the affection and reverence of their pupils as their most valued possession, who have looked upon the educated classes with a feeling of pride, and who have always stood up for them whenever anyone has ventured to assail them. One such Professor, within my experience, was Dr. Wordsworth, grandson of the great poet—a man honoured and beloved as few Englishmen have been on our side. Another such man is Mr. Selby, whose approaching retirement will inflict a most severe loss on the Education Department of our Presidency. My Lord, I am aware that it is invidious to mention names; but these two men have exercised such

abiding influence over successive generations of students during their time that I feel no hesitation in offering a special tribute of recognition and gratitude to them. Their hold over the minds of their pupils has been due, not only to their intellectual attainments, but also to their deep sympathy with them as a class which they had helped specially to create. I believe that such men have never had occasion to complain that their views on any subject did not receive at the hands of educated Indians the consideration that was due to them. It is through such men that some of England's best work in India is done ; it is these men who present to the Indian mind the best side of English character and English culture. It is such men that are principally wanted for the work of higher education in India in the present state of things, and the best interests of both the rulers and the ruled may safely be entrusted to their keeping. I think, my Lord, there is practically no limit to the influence which a truly great Professor who adds to his intellectual attainments sympathy and love for his pupils may exercise over the minds of Indian students, whose natural attitude towards a teacher, inherited through a long course of centuries, is one of profound reverence. The recent Resolution of the Government of India on the subject of education strikes the right note when it says, 'Where the problems to be solved are so complex, and the interests at stake so momentous, India is entitled to ask for

the highest intellect and culture that either English or Indian seats of learning can furnish for her needs.' If the principle enunciated in this sentence be faithfully acted upon, it will go a long way to counteract the evil which is apprehended from the passage of this Bill. How far, however, this will be done, remains to be seen. Meanwhile, the old order will change, yielding place to new. My Lord, one cannot contemplate without deep emotion the disappearance of this old order; for with all its faults, it had obtained a strong hold on our attachment and our reverence, and round it had sprung up some of our most cherished aspirations. For the present, however, the hands of the clock have been put back; and though this by itself cannot stop the progress of the clock while the spring continues wound and the pendulum swings, there can be no doubt that the work done today in this Council Chamber will be regarded with sorrow all over the country for a long time to come.

THE UNIVERSITIES VALIDATION ACT. 1904.

[At a meeting of the Imperial Legislative Council, held on Friday the 3rd February 1905, His Excellency Lord Curzon presiding, the Hon. Mr. H. Erle Richards moved for leave to introduce a Bill to validate action taken under the Indian Universities Act 1904. The Hon. Mr. G.K. Gokhale opposed the motion in the following speech.]

Mr. Lord, I beg to oppose this motion. It was only last night that I received the agenda paper of this meeting, and then I saw that it was proposed to introduce a measure of this kind at to-day's Council. There was, however, no copy of the Bill with the agenda paper—there is no copy even now before me on the table—so I was entirely in the dark until I heard the speech of the Hon'ble Member in charge of the Bill about the precise nature and scope of the proposed legislation. Now, my Lord, I respectfully submit that this is somewhat hard on Members of this Council. For I find myself compelled, if I want to enter my protest at all, to speak just on the spur of the moment, without any opportunity to look up facts and references, relying solely on my mere recollection of things. My Lord, I was one of those who did their utmost last year to prevent the passage of the Universities Bill. But having done that, as soon as the Bill was passed, I was among those who recognised the wisdom of the

appeal so earnestly made by His Honour the Lieutenant-Governor of Bengal to both friends and opponents of the measure that they should after that bury their differences and in the best interests of higher education endeavour to co-operate with one another to make the Act a success. I should therefore have been glad if there had been no occasion for me to oppose any further the proposals of Government in regard to the Universities of India. But as the Government have thought fit to introduce the present measure, and as I disapprove of it most strongly, there is no course open to me but to offer it such resistance as I can. My Lord, I interpret the Hon'ble Member's speech as a practical admission that the notifications which the Chancellors in the different Provinces have issued are illegal and *ultra vires*, and that the action taken under them cannot be sustained. For, if there had been the faintest possibility of the notifications being upheld by the High Courts, the Government, I am sure, would not have taken this unpleasant and not wholly dignified course of coming to the Legislature to validate what they have done. Now, my Lord, one might easily ask the question how such illegal notifications came to be issued, for, with the resources at the disposal of the various Governments in the matter of expert legal advice and in other ways, the public have a right, even in this country, to expect work less careless than that. But when a mistake has been admit-

ted, in public life as in private life, the less one dwells on it the better. But though I do not care to press the question how these notifications came to be issued, I must protest emphatically against the course proposed to be adopted to set right the illegality that has been committed. I think, my Lord, the only proper course for the Supreme Government on this occasion would have been to call upon the various Chancellors to withdraw these objectionable notifications and substitute others in their place more in accordance with the law. Instead of following this plain course, the Government have chosen to come to the Legislature with proposals to remedy, not any defect in the law, but a serious illegality committed in taking action under the law, and persisted in in spite of warnings and protests. My Lord, in all civilised countries there is a well-understood and well-defined distinction between the Legislature and the Executive Government, and the Legislature is regarded as higher than the Executive. In India unfortunately this distinction for the most part is of only a nominal character, for, with the present constitution of the Councils, the Executive Government can get what law they please passed by the Legislature without the slightest difficulty. I submit, however, that it is not desirable, it is not wise, that this fact should be forced on the attention of the public in so unpleasant a manner as on this occasion, and I think the distinction becomes a farce if our

Legislature is to be thus at the beck and call of the Executive Government, and if it is to be called upon to exercise its powers of legislation to remedy defects, not in existing laws, but in executive action taken under those laws. My Lord, I respectfully, but emphatically, protest against this lowering of the dignity of the Legislature. Of course there is nothing to prevent the Government legally from coming to the Legislature with such proposals as they please. But I venture to think that there are moral limits on the competency of the Government in this matter. I think that the Government should come forward with proposals of amendment only in the event of the existing law being found so defective as to be unworkable, errors in executive action being set right as far as possible by executive action alone. I can imagine a case where, soon after passing a measure, the Government suddenly discover a flaw which makes it impossible to carry the measure into practice. In such a case, however one may regret the necessity of amending legislation, one would be prepared to regard the position of Government with a certain amount of sympathy. But that is not the case on the present occasion. It is not contended that no executive remedy is possible to set matters right, for, by withdrawing the present notifications and substituting others in accordance with law, the whole difficulty can be got over. The Hon'ble Member has told us that

this would involve much loss of precious time and of valuable work already in process of being done. Surely this is not such a calamity as to justify the present proposals. It is true that those who get into power for the first time often imagine that they must begin their reforming work at once, and that the situation cannot brook a moment's delay. Everyone will not, however, necessarily sympathise with such impatience, and some may even welcome circumstances which necessitate their going more slowly. As regards the fear that in some places examinations will have to be postponed unless the election of the present Syndicates is validated, even that need not frighten us much, as examinations have been postponed in the past on account of plague and other difficulties, and there is no great harm if they have to be postponed for a time in any place this year. The Hon'ble Member has further told us that after all the defects that have been discovered in the notifications are of a purely technical character. Now I cannot subscribe to this view of the matter at all. Take, for instance, the formation of the Faculties. If this function had been left to the Senates as required by the law—if it had not been illegally usurped by the Chancellors—we should have had the Faculties formed in accordance with some clear and intelligible principle as in old times. But in what the Chancellors have done there is no such clear principle recognisable. Thus, in Bombay, a man like Mr. Justice Chanda

varkar, than whom there are few more cultured Fellows—European or Indian—in the Bombay Senate, has been excluded from the Arts Faculty, which after all is the most important Faculty, and relegated to the Faculty of Law, which is made to include every Fellow who has taken the LL.B. degree. So it is not only a mere setting right of technical defects that is involved in this Bill. My Lord, there is another most important question that must be brought to the notice of this Council. I am not sure that I quite followed the Hon'ble Member in what he said about the effect of this Bill on the Syndicates which have been elected under the illegal notifications. I understood him to say, and I speak subject to correction, that the elections would stand. If this be so, I can only protest against what is proposed as a great wrong, at least so far as the Bombay University is concerned, for there the opinion of eminent Counsel had been obtained, which declared that the notification was clearly illegal and *ultra vires*. This opinion had been forwarded to the University authorities before the elections were held, and the only request that was made was that the elections should be postponed till the Chancellor had reconsidered the whole question in the light of that opinion. An opportunity was thus given to the party that is anxious to introduce the new order of things to set matters right by cancelling the notification and issuing another in its place. Instead of that, they pre-

ferred to hold the elections in accordance with the notification, and now it is proposed to condone the illegality committed with open eyes by means of fresh legislation ! My Lord, the unfairness of this arrangement becomes all the more obvious when it is remembered that those who saw the illegality of the notification did not take part in the election beyond entering their protest. They did not allow themselves to be nominated as candidates : neither did they exercise their undoubted right to vote because of the illegal character of the whole proceeding. On the other hand, those who chose to act on the notification acted as though they were determined to carry out their object, whatever the obstacles in their way. Thus a motion for adjournment, which the Vice-Chancellor, who presided over the Arts meeting, allowed to be put to the meeting one day, was under exactly similar circumstances ruled out of order the next day at the Law meeting by the Judicial Member of the Executive Government, whose interest in University matters was suddenly aroused, and who attended to take the chair—which otherwise would have been occupied by the senior Fellow present, Sir Pherozeshah Mehta.

And it is now proposed to support by fresh legislation the illegalities committed in this high-handed manner by those who chose to ignore the warning and opinion of eminent Counsel, and it is proposed to punish those who protested against the illegalities and

refrained from being a party to them. I think it is absolutely unjustifiable thus to disfranchise a large number of Fellows and accept the elections made by a handful of men in each group as made by the Faculties, and once more I protest emphatically against the contemplated wrong.

My Lord, these are some of the observations which suggest themselves to me on this occasion. I have been under some disadvantage in having had to speak on the spur of the moment, and I can only trust I have made no mistake in my statement of facts, nor employed stronger language than the exigencies of the situation demanded.

[At a meeting of the Imperial Legislative Council held on Friday the 10th February 1905, His Excellency Lord Curzon presiding, the Hon'ble Mr. Richards moved that the Bill to validate action taken under the Indian Universities Act, 1904, be taken into consideration. The Hon'ble Mr. Gokhale moved that for the words "the Bill to validate action taken under the Indian Universities Act, 1904, be taken into consideration," in the foregoing motion, the words "the consideration of the Bill to validate action taken under the Indian Universities Act, 1904, be postponed sine die" be substituted. He said :]

My Lord, last Friday, when I troubled the Council with a few observations on the Bill now before us, I ventured to suggest that the introduction of this

measure and the Hon'ble Member's speech in support of it amounted to a practical admission that the notifications issued by the several Chancellors were illegal and *ultra vires*. The Hon'ble Member, however, took exception to my remark, and that makes it necessary that the Council should consider briefly the circumstances connected with these notifications and the position now created by them. For this purpose I would invite the attention of the Council to what has taken place at Calcutta and Bombay, and I take these two Universities, partly because it has been easier for me to obtain precise information in regard to them than in regard to the others during the short time at my disposal, but mainly because the circumstances of the Calcutta University are, or ought to be, within the personal knowledge of several Members of this Council, and at Bombay matters have culminated in a suit being instituted in the High Court. My Lord, I have no wish to-day to stir up the ashes of the controversy that raged round the Universities Bill last year, though one may say in passing that some of the fears then expressed by the opponents of the measure about the probable exclusion of independent Indians from the administration of the Universities are already being more or less realized. What, for instance, can be more lamentable than that, on the present Syndicate of the Calcutta University, four Faculties out of five should be without a single Indian representative, and

that in Bombay, a man like Sir Pherozezshah Mehta, once a Dean in Arts, who, in point of attainments and of zealous devotion to the best interests of the country towers head and shoulders above many of those who have of late been posing as authorities on high education in this land, should be excluded from the Faculty of Arts ! However, I know that any further complaint in this Council about the policy of last year's Bill is like ploughing the sands of the seashore, and I have no wish to engage in an enterprise at once so fruitless and so unnecessary. My Lord, I must ask the Council to glance for a while at what may be called the scheme of last year's Act in regard to the constitution of the first Senates and of Provisional Syndicates. That scheme, I contend, is both clear and adequate, and if only ordinary care had been taken to adhere to it, the present difficulties would not have arisen. The scheme is set forth in the several clauses of section 12. First of all, there was to be the election often Fellows by Graduates or by old elected Fellows or by both. Then there was to be the appointment of not more than eighty Fellows by the Chancellor. And then there was to be the election or rather co-optation of ten more Fellows by the elected Fellows and Government nominees acting together. This co-optation was to complete the Senate and then the Chancellor was to notify that the Body Corporate of the University had been formed, appending to the notification a

list of the new Senate. As soon as this declaration was made, the old Senate and the old Syndicate were to cease to exist, and the new Senate, *i.e.*, the Body Corporate, was to elect a Provisional Syndicate, in such manner as the Chancellor might direct, the old bye-laws and regulations of the University continuing in force till new ones were framed, except in so far as they were expressly or by implication superseded or modified. Now two things here are absolutely clear—first, that the election of the Provisional Syndicate is to be by the Senate, *i.e.*, the Body Corporate, and, secondly, whatever discretion might be conferred on the Chancellor by the words ‘in such manner as the Chancellor may direct,’ that discretion is limited, first, by the express terms of the Act and, secondly, by such old regulations and bye-laws as have not been superseded or modified. The Hon’ble Member said last Friday that, unless a very wide meaning was assigned to the words ‘in such manner as the Chancellor may direct,’ there would be a difficulty about fixing the number of the Syndicate. I am surprised at the Hon’ble Member’s argument, for he forgets that the old regulations prescribe the number, and the Act being silent in the matter, that number must stand. On the other hand, the regulations prescribe election by Faculties, but the Act expressly provides for election by the Senate; therefore the election by Faculties must go. I therefore contend that the scheme of the Act for

the constitution of the first Senate and of the Provisional Syndicate is a clear and complete scheme, and the responsibility for the present muddle rests not on those who framed the Act but on those who did not take sufficient care to understand its provisions and exceeded their powers in taking action under it. Indeed, my Lord, I wonder what Sir Thomas Raleigh in his retirement will think of these proceedings in Council and of the justification urged for them, for to my mind they are little less than a reflection on the patient industry and care with which he elaborated the provisions of the Universities Bill; and I think it will strike him as an irony of fate that, while these proceedings should be initiated by those who were among the most enthusiastic supporters of his Bill, it should have been reserved for an uncompromising opponent of the measure to protest against the charge of unsatisfactory work which they involve against him!

My Lord, I have so far briefly sketched what may be called the scheme of the Act. Let us now see how they have followed this scheme in practice at Bombay and Calcutta. In Bombay the election of ten Fellows by Graduates and by old elected Fellows took place all right. The appointment of eight Government nominees followed in proper form. Finally, these ninety proceeded to co-opt the remaining ten, sitting and voting together as required by the Act. The Bombay Senate was thus regularly constituted and no one has

UNIVERSITIES VALIDATION ACT, 1904. 307

taken any exception to its constitution. Then came the Chancellor's notification about the election of a Provisional Syndicate, in which he arbitrarily divided the Fellows into groups, which he had no power to do, and directed the several groups to meet and vote separately and on separate days, which also he had no power to do. And when the illegal character of the notification was brought to his notice and opinions of eminent lawyers in support of this view were forwarded to him, the University authorities persisted in acting on the notification, with the result that the aggrieved party had to move the High Court for redress! In Calcutta the catalogue of illegalities was even longer. Here the election of ten Fellows by Graduates and by old elected Fellows took place all right and the Chancellor's nominations were also in regular form. From this point, however, commenced a regular series of irregularities. The ten Fellows to be co-opted were not co-opted by the elected and nominated Fellows sitting and voting together, as required by the Act. The constitution of the Calcutta Senate itself was thus defective. Then the Chancellor divided the Senate into Faculties for the purpose of electing the Syndicate, which he had no power to do. The old regulations which are still in force recognize only four Faculties, but the Chancellor constituted five Faculties on his own responsibility, which was irregular. Under the old regulations every Fellow, *ex officio* or

ordinary, must belong to at least one Faculty; but the Chancellor did not assign the *ex officio* Fellows to any Faculty, which was irregular. Finally, the Provisional Syndicate was elected by the Faculties, instead of by the Senate, as expressly required by the Act, and this was irregular. And now, after all these irregularities have been committed, the Government of India come to the Legislature with a proposal to validate all that has been done! In doing so they ignore the fact that they are interfering with a pending suit, destroying the protection of High Courts which the public prizes above everything else, lowering the dignity of the Legislature, and creating throughout the country a most deplorable impression about the practical irresponsibility of the Executive Government. And yet, when it is said that the action of the Government is a practical admission that the notifications were illegal, the Hon'ble Member thinks it necessary to protest against the inference! My Lord, I think the matter is pretty clear. In any case, the view that the notifications are illegal and *ultra vires* is supported by three distinguished members of the Bombay Bar—two of them being European Barristers, who have taken no part in recent educational controversies and who occupy the foremost position in their profession at Bombay. Can the Hon'ble Member quote on the other side any authority of equal eminence, of anything like equal eminence, of any eminence at all? Is he prepared to pledge his own

reputation as a lawyer to the view that the notifications are legal? And if he is not, I submit that my inference is a fair inference, and I think I am entitled to draw it. The Hon'ble Member complained last time that I had no alternative course to suggest. This was surely a most extraordinary complaint to make, for in the very next sentence he proceeded to show how my suggestion, namely, that the faulty notifications should be withdrawn and others in accordance with law substituted in their place, would involve waste of time and work and prove harmful to the interests of the Universities. My Lord, I really think that it is the duty of the Government, not less than that of private individuals, to face whatever inconvenience has to be faced in obeying the law. And the only proper and dignified course for the Government was to have waited till the Bombay High Court had pronounced its judgment, and, if that decision had been adverse to the Government, to have withdrawn the notifications held to be illegal and to have substituted others in their place framed in accordance with the law, a validating Bill being at the same time introduced to legalize the work done during the interval by the defectively constituted bodies. If, on the other hand, the Court had decided in favour of the Government, nothing further need have been done in the matter unless the decision had been reversed by a higher authority. The Hon'ble Member drew last time a dismal picture of the results,

which would produce a state of uncertainty. That picture, however, need not frighten anybody—at any rate, no one who is acquainted with the inner working of an Indian University. It would not have taken so very long after all to set matters right, and in the interval, the Vice-Chancellor and the Registrar could have carried on the ordinary executive business of the University. And whatever temporary inconvenience had resulted should have been borne as inevitable. Instead of this, the Government have chosen to adopt a course which is hardly respectful to His Majesty's Judges,—intervening by means of legislation in favour of one party to a pending suit—which lowers the dignity of the Legislature, and which proclaims that the executive authority in this country is practically above law. I decline to be a party to such a course and I therefore beg to move the amendment which stands in my name.

[At the same meeting, when the Bill to validate action taken under the Indian Universities Act was being considered, the Hon'ble Mr. Gokhale moved that after clause 1 of the Bill the following clause be added, clauses 2 and 3 being re-numbered 3 and 4, respectively, namely:—"2. Nothing in this Act shall apply to the University of Bombay." He said:—]

My Lord, I have already twice referred to what has taken place at Bombay, but in asking that the

Bombay University be excluded from the operation of this Bill, I must recapitulate once more the facts on which I base my motion, and I hope the Council will bear with me while I do so. The most important difference between Bombay and elsewhere has been this—that while in other places the illegality of the notifications was not discovered before the elections and no formal protests were in consequence made at the time, in Bombay even this plea of acquiescence on the part of members of the Senate is not available to Government. Of course such acquiescence or the absence of it does not affect the legal position, but it is a moral consideration of very real importance. In Bombay, the illegal character of the notification was perceived as soon as it was issued. The members, who perceived it, thereupon took legal opinion. They first consulted Mr. Inverarity and the Hon'ble Mr. Setalwad, who both condemned the notification in unequivocal and emphatic terms as illegal. Then they consulted Mr. Lowndes, who was equally emphatic in his condemnation. All three Counsel thought that the illegality was so patent that it had only to be brought to the notice of the Chancellor, and they felt confident that he would see the necessity of withdrawing the notification. Armed with these opinions, Sir Pherozeshah Mehta, himself a lawyer occupying a commanding position at the Bar, and several other Fellows approached the Chancellor and asked for a reconsideration of the

question before it was too late. All this was done before the date of the first election. The University authorities, however, took it upon themselves to ignore the whole thing and proceeded to hold the elections as directed in the notification. At the meeting of the Arts group the Vice-Chancellor presided, and he allowed a motion to adjourn so as to give time to the Chancellor to reconsider the matter to be put to the meeting. The next day, the Law group met, the Judicial Member of the Bombay Government, whose interest in University matters has hitherto been by no means conspicuous, attended and took the chair, which otherwise would have been taken by the Senior Fellow present—Sir Pherozeshah Mehta—and flouting the ruling of the Vice-Chancellor of the previous day, ruled a motion for adjournment out of order, and after a majority of the members present had left the meeting under protest, got the remaining five, including himself, to elect the two representatives for Law. These high-handed proceedings left no option to those who saw the illegality and declined to be a party to it but to go to the High Court. And, on this being done, the University authorities have come to the Supreme Government with an appeal to shield them and save their prestige by means of a validating measure. My Lord, to use the powers of the Legislature for validating what has taken place in Bombay is to abuse those powers. For it means validating illegalities committed

in the light of day and in spite of warnings and protests. It means validating high-handedness. It means interfering with a pending suit, which on the part of private individuals is regarded as contempt of Court. It means coming between the aggrieved party and the protection which it has a right to look for at the hands of the High Court. It means securing for the wrong-doer the fruits of his wrong-doing. Finally, it means penalizing those who have declined to be a party to an illegal proceeding and have done their best to have it set right; for, as I pointed out last time, these men did not take any part in the elections—they did not allow themselves to be nominated as candidates, and they did not vote, fully believing that the illegal elections could not be upheld and would have to be set aside; and to uphold the elections now by means of legislation is to disfranchise them. Then, my Lord, there is the question of costs. These men have had to spend money in taking the course they were compelled to take. Counsel do not give their opinion for nothing, neither do they appear to argue a case for nothing, and if the matter had been left to be decided by the High Court, their costs would probably have been awarded to them, if the decision had been in their favour. My Lord, does the Legislature exist for the perpetration of what may be called legislative injustice? Was no other course open to the Government? In Bombay, at any rate, there is no question of the Senate

having to be reconstituted. The only thing needed is to withdraw the notification about the election of the Syndicate and substitute another in its place in accordance with law. This could be done at once and the new election might take place in a week's time after that. Surely the University of Bombay can exist for a week without a Syndicate, and even the Hon'ble Member in charge of the Bill will have to admit it when it is remembered that from 8th December, when the notification about the new Senate appeared, to 17th January, when the Provisional Syndicate was formed—i.e., for more than five weeks—there was no Syndicate in Bombay, and the Vice-Chancellor and the Registrar carried on the executive business of the University without any hitch. There is thus no reasonable ground for undertaking the present legislation for Bombay, while there are several most important considerations against the course adopted by the Government. I therefore beg to move that the Bombay University be excluded from the scope of the Bill.

[At the same meeting, replying to criticisms on his amendment, the Hon. Mr. Gokhale made the following speech.]

My Lord, I desire to offer a few observations by way of reply to what has fallen from the Hon'ble Mr. Richards and the Hon'ble Sir Denzil Ibbetson. The Hon'ble Mr. Richards began by saying that the confusion that has been caused is admitted by everybody,

but this Council is not the place where the legality or otherwise of the notifications issued by the Chancellors can be profitably discussed. I am inclined to agree with him, but he will not allow me to discuss it anywhere else. As a matter of fact, my friends have taken the matter to the High Court, which is surely a properly constituted body to discuss the legality or otherwise of what has been done. But the Hon'ble Member will intervene before the High Court has delivered its decision, and he will pass a law which will take the matter out of the jurisdiction of the High Court, so that, if I may say so, the responsibility for the question being raised here is the Hon'ble Member's and not mine.

Then, my Lord, the Hon'ble Member said that the Provisional Syndicate is only a transitory body and therefore so much fuss need not be made over the manner in which it has been constituted. He said, after all, what will the Provisional Syndicate do? It will attend to the duty of conferring degrees and to a few small details of executive administration. He forgets, however, that the principal work of this Provisional Syndicate will be to draft the regulations which afterwards are to govern the conduct of the business of the University. In Bombay, no matter can be first brought before the Senate until it has been first considered by the Syndicate, and therefore the whole future administration of the University really

depends in a measure upon the Provisional Syndicate, and one can easily see how important it is to have it properly constituted.

The Hon'ble Sir Denzil Ibbetson has referred to what was in the mind of the Select Committee when these transitory provisions were framed. I, too, was a member of the Select Committee, but I did not refer before this to what took place in the Select Committee, because I understood that a reference to the proceedings of the Select Committee was not allowed, as they are confidential. However, I may very well follow the example of the Hon'ble Member, and I may say this: if my recollection is right, the Select Committee did not intend that the Provisional Syndicate should be constituted as it has been in so many places. As a matter of fact, I remember it being said that the principal work of the Provisional Syndicate would be the drafting of rules and regulations, and for that it would be necessary to have a body of men who had the confidence of the whole Senate, and that was necessary to provide.

The Hon'ble Member proceeded to say that, unless the Chancellor had given certain specific directions, there would have been confusion, as there was conflict between the Act and the old regulations.

I think, however, that this fear was groundless. The Act of last year contemplates three authorities being put together before any action is taken. There

UNIVERSITIES VALIDATION ACT, 1904. 317

is, first of all, the Act, which is of course above everything else. After the Act come the regulations, which have not been expressly or impliedly superseded. If there is any conflict between the two, the Act prevails and the regulations go. If there is nothing to bring about a conflict between the two, the regulations supplement the Act. It is only after the Act and after the regulations that the discretion of the Chancellor comes in. The discretion of the Chancellor is to support the regulations and the Act, and not to twist the express language of the Act or of the regulations that are already in force so as to suit his own view of things. If you take these three things together, what do you see? You first of all see that the Act requires that the election shall be by the Senate. Therefore, if the old regulations say that the election should be by Faculties those regulations are to that extent inoperative. Again, if the old regulations say that the number shall be so and so, the number is not left to the Chancellor. However, I do not wish to elaborate this point any further. The Hon'ble Member said that the Chancellor of Bombay had scrupulously followed the old regulations in the grouping of the members of the Senate. The Hon'ble Member is entirely mistaken. In old times, where a man held a degree in more Faculties than one, he was appointed a Fellow in all those Faculties. The Chancellor, however, has arbitrarily restricted the members to certain Faculties.

For instance, Sir Pherozeshah Mehta holds only an Arts degree, so far as the Bombay University is concerned. He has, however, been relegated to the Law Faculty and removed from the Faculty of Arts. Under the old regulations this would not have been possible.

I do not think that I need detain the Council further. The defects that you are going to validate are not merely technical, and there is an important principle involved, and I therefore submit that the Bill should not be proceeded with.

[At the same meeting on the motion of the Hon. Mr. Erle Richards that the Bill, as amended, be passed, the Hon. Mr. Gokhale spoke as follows].

My Lord, I have already spoken thrice on this Bill, but I cannot let it pass without a final word of protest. My Lord, British rule in this country has hitherto been described—and on the whole, with good reason—as the reign of law. A few more measures, however, like the present, and that description will have to be abandoned and another substituted for it, namely, reign of Executive irresponsibility and validating legislation. My Lord, the Government are paying too great a price for what is undoubtedly an attempt to save the prestige of its officers. But is prestige ever so saved? On the other hand, an occasional admission of fallibility is not bad—especially for a strong Government like the British Government. It introduces a touch of the human into

what ordinarily moves with machine-like rigidity. It enhances the respect of the people for law, because they are enabled to realize that even the Government respects it. And it strengthens the hold of the Government on the people, because they see that, in spite of its strength, it has a tender and scrupulous regard for the limitations imposed by the Legislature upon it. My Lord, may I, in this connection, without impertinence say one word about Your Lordship personally? Whatever differences of opinion there may be in the country about some of the measures of Your Lordship's administration, the impression hitherto has been general that during your time the Local Governments and Administrations have had to realize more fully than before that there is a controlling and vigilant authority over them at the head, and that this authority will tolerate no irregularities on their part. It is a matter of disappointment that this impression should not have been justified in the present instance. My Lord, public opinion in this country being as feeble as it is, the only two bodies that control the exercise of absolute power by the Executive are the Legislature which lays down the law, and the High Courts which see that the law is obeyed. If now the Government is to destroy the protection which the High Courts afford by means of validating legislation, and if the Legislature is to be reduced to the position of a mere handmaid of the Executive to be utilized for passing such legislation, what is there left

to stand between the people and the irresponsible will of the Executive? My Lord, I feel keenly this humiliation of my country's Legislature; for though we, Indian Members, have at present a very minor and almost insignificant part in its deliberations, it is after all our country's Legislature. Moreover, I have a faith that in the fulness of time our position in it will be much more satisfactory than at present, and anything that lowers it in the eyes of my countrymen cannot but be regarded with profound regret. My Lord, I will vote against the passing of this Bill.

CO-OPERATIVE CREDIT SOCIETIES.

[At a meeting of the Imperial Legislative Council, held on Wednesday the 23rd March 1904, His Excellency Lord Curzon presiding, the Hon. Mr. Sir Denzil Ibbetson moved that the Bill to provide for the constitution and control of Co-operative Credit Societies, as amended, be passed. The Hon. Mr. G. K. Gokhale supported the motion in the following speech.]

My Lord, after the continuous opposition which it has fallen to my lot to offer to two important measures of Government during this session, it is both a pleasure and a relief to me to find myself in a position to give my cordial and unequivocal support to the present Bill. The proposed legislation is no doubt only a modest measure, so far as its provisions go. But it authorizes a cautious and interesting experiment, which, if it attains any degree of success, cannot fail to exercise a wide and far-reaching influence, especially on the condition of the agricultural classes in India. My Lord, in the growing indebtedness of the Indian agriculturist and the steady deterioration of his general position, the Government of India is called upon to face one of the gravest problems that can confront a civilized administration. The difficulties of the situation are enormous and they can be overcome, if they are overcome at all, only by a long course of remedial

action, wisely determined, sympathetically undertaken and steadily and patiently adhered to in spite of discouragement and even temporary failure. Such action must include a series of cautious measures, intended both to bring him help and relief from outside, and to evoke or strengthen in him those qualities of prudence, thrift, self-reliance and resourcefulness, without which outside help can do him no great or permanent good. The present Bill is a measure of the latter kind, and though no one can say how far it will prove successful, its operation will be watched by every one interested in the future of the country with deep interest and in a spirit of hope.

My Lord, in a matter of this kind the function of the Legislature must be confined only to the removal of any special obstacles that may stand in the way. When that is done, the success of the experiment must depend almost entirely upon executive action and the spirit in which and the extent to which the classes concerned and those who are interested in their welfare come forward to co-operate with the Government. For this reason the present Bill cannot be considered apart from the line of practical action which it is proposed to take when the Bill becomes law. This line has been indicated with sufficient fulness in the two luminous speeches made by the Hon'ble Member in charge of the Bill since the introduction of this measure. And the few remarks which I propose now

to offer have reference both to the provisions of the Bill, and to the executive measures outlined by the Hon'ble Member to give effect to those provisions.

My Lord, the measure as amended in Select Committee is a considerable improvement on the original Bill, and will no doubt work better in practice. However, the general scheme formulated appears to me to be incomplete in important particulars. To these I beg leave to draw the attention of the Government in the hope that the bounds of executive action will be so enlarged as to place the success of the proposed measure beyond reasonable doubt.

My Lord, the first thing that strikes me on a consideration of the whole question is that there is no provision in the proposed scheme for a preliminary liquidation of the existing debts of those who wish to avail themselves of the opportunity now offered, to improve their position. In making this observation and those which follow, I have in view the condition of the agricultural population only, and I look upon the Bill, though its provisions may be availed of by non-agriculturists, as one intended specially for the benefit of the agricultural community. It is true that the Bill aims merely at organizing on a co-operative basis the credit of these classes, but such organization, if it is to benefit any considerable proportion of the agriculturists, must be preceded by a liquidation of existing usurious debts. Speaking with special reference to the

Bombay Presidency, I may say that our agriculturists may be roughly divided into three classes :—(1) Those who are yet free from debt. These, I believe, form a small proportion of the total number. (2) Those who have already got into debt, but not to such an extent as to be hopelessly involved and who are making honest efforts to keep their heads above water. These, I believe, constitute a considerable proportion of the agricultural population. And (3) those who are so heavily indebted as to be hopelessly involved. These, I fear, are a very large class. Of these three classes, I don't expect that many members of the first class will, for the present at any rate, care to join the proposed societies as the principle of unlimited liability is sure to frighten them : while the third and last class is beyond the reach of such remedial action as this Bill contemplates. The men, therefore, who will principally form these societies, if the proposed measure attains any degree of success, are those that belong to the second class, namely, those who have already got into debt but whose position has not yet become hopeless and who are, moreover, making honest attempts to save themselves from prospective ruin. These men, however, have not much credit left free to be brought into the co-operative organization and, unless they are helped to effect a clearance of existing liabilities on reasonable terms, no new banking organization created for their benefit, whether it takes the form of Agricul-

tural Banks or of Co-operative Credit Societies, can prove of much help to them. The need for such preliminary liquidation was recognized by the Government of India in 1884 in the following terms :—‘ Improvidence of cultivators and uncertainty of seasons are elements which are liable to interfere with a bank’s success, and these difficulties might be met by prudent management; yet the bank could not hope to succeed unless it could start in a field where the agricultural classes were unencumbered with debt or were enabled to liquidate their existing debts on reasonable terms.’ Such a liquidation was carried out in Germany and elsewhere through the agency of special banks and the ground was cleared for the operation of the new banking organizations. The resources of the proposed societies will be extremely limited, and it is out of the question that they can by themselves find the funds necessary for such liquidation. The Government must come to their help in this matter and, if such help is not offered, the proposed experiment will have but small chance of proving successful.

Section 7 lays down for rural societies the principle of unlimited liability except in special cases. Responsibility for *pro rata* contributions to the repayment of a society’s debts would be a desirable limitation on the liability of members, as is allowed in the German Law of 1889. Unlimited liability no doubt strengthens the position of the societies greatly in the money-

market: but it is a principle which our raiyats in many parts of rural India can scarcely be made to understand. Each member to be liable in all his property for his society's debts—this is to them an entirely foreign idea, and in most parts, it is to be feared, would deter people from joining such associations. Responsibility in equal shares on the common partnership principle may be better appreciated and would be enough for a start. In Germany, the principle of unlimited liability is an old time-honoured economic tradition, and works admirably. It is the keystone of Schulze and Raiffeisen societies. Elsewhere, in Italy and other countries, it has had to be acclimatized with immense toil. In India, where every such thing is new, I fear it will be a mistake to aim at too much at the start. Insistence on such a principle would keep away from the new societies those very classes whose help and co-operation would be indispensable.

As regards funds, the societies are allowed to receive deposits from their members, and borrow from outsiders. No other financial resource is provided for. This to my mind is the weakest part of the scheme. Even in European countries, such popular banks (*e.g.*, the Schulze-Raiffeisen and Luzzatti Wollemborg Societies) do not depend exclusively on deposits and loans. In India, as regards deposits, looking to the condition of economic exhaustion and material resourcelessness which at present prevails in the rural parts, such de-

posits from those who might join these societies cannot be expected to flow in either fast or in any large volume. The associations would be mainly and for years more or less borrowing associations. As to loans it is somewhat surprising to find that the Bill allows the credit societies to borrow from 'persons who are not members' though, of course, under restrictions. The moneylender thus comes in and there is no guarantee that he will not exact usurious interest. Besides, where protracted periods of misfortune intervene, like the past decade in the Dekkhan, there is present the risk of these societies getting into the clutches of the moneylender just as individual raiyats now do. The risk may be obviated and the financial position of the new societies improved in two distinct ways, as is done in European countries. First, these rural societies should not be left to shift for themselves as best they could, as isolated units, but might be allowed to be federated into unions for mutual support and help, and these unions linked to a Central Bank, which might serve as an intermediary between them and the money-market and also help to equalize funds by lending the surplus of some to meet the needs of others. Each District might have a Central Bank of this nature to which the rural unions would be affiliated on a joint stock basis and to serve as a focus of business. Further, these District Central Banks might be linked on to the Presidency Banks, one for each Presidency or Province. Some such

scheme of filiation might materially help these societies and to a large extent remove the difficulty of financing them. However, I fear the realization of such a scheme must be the work of time and must be preceded by the proposed societies attaining in their own places a certain measure of success, however limited it may be. But there is another resource, which might be made available to these societies without any difficulty, and it is that these societies might be allowed to have each a savings bank attached to it, as is done in Germany and Italy. They would thereby be able to draw together small savings within their territorial limits and utilize them for productive use. At present no facilities practically exist in our villages for the deposit of savings. The total number of villages in British territory in India is over $5\frac{1}{2}$ lakhs, while the savings banks (head and sub-banks) number only 7,075; and the total number of depositors is nearly a million, of whom only about fifteen thousand are agriculturists—not even 2 per cent. So it would be a great help to the rural classes and meet a *felt* want, if these societies were allowed under the new scheme to have each a savings-bank of its own—operating, of course, within its own territorial limits. These savings banks would thus serve a double purpose. (1) The rural classes will have facilities for the deposit of their little savings, where practically none exist at present. This would encourage thrift. (2) The credit societies

will have a new source of financial aid placed within their reach on a commercial and safe basis. Indirectly, too, the better-to-do classes, who might not join the new associations, would, if they were to deposit their savings with these societies, help them most materially.

The absence of some summary procedure to recover the debts due to the societies is also likely to interfere with the success of these societies. I admit the full force of the observations made by the Hon'ble Sir Denzil Ibbetson on this point. It seems to me, however, that on the whole the balance of considerations lies on the side of providing some such procedure, or at any rate some special machinery of arbitration. Section 26 provides for a summary recovery of debts due to Government. But the societies must go to the Courts and bear the expense and delays of such procedure. I think some summary procedure is necessary, and special Courts might be organized for the adjudication of such claims.

In conclusion, I entirely approve the idea of trying the proposed experiment first in a very few selected localities only. So much depends upon the success of this experiment that every care must be taken to try it in the most favourable circumstances. The sympathy of local officers will of course be available to the full, but the Government will further have to offer very liberal financial assistance, at any rate in the earlier years of the experiment. Public confidence in

330 THE IMPERIAL LEGISLATIVE COUNCIL.

the success or practicability of a new organization is unfortunately slow to grow in a country where the people have for long centuries been accustomed to look for everything to Government and private initiative seems to be almost paralysed. But when once such confidence springs up, it is not lightly shaken. Very great responsibility, therefore, will rest on those who are entrusted with the task of supervising the first experiment, and I earnestly trust, my Lord, that no possible effort will be spared to make that experiment as complete a success as is, in existing circumstances, possible.

THE SINDH ENCUMBERED ESTATES ACT, 1896.

[At a meeting of the Imperial Legislative council, held on Saturday the 17th February 1906, His Excellency Lord Minto presiding, the Report of the Select Committee on the Bill to amend the Sindh Encumbered Estates Act, 1896, was taken into consideration. The Hon'ble Mr. Gokhale moved that in sub-section (2) proposed to be added to section 22 of the Sindh Encumbered Estates Act, 1896, by clause 6, sub-clause (c), of the Bill, as amended by the Select Committee, for the words "as may appear to the manager to be" the words "as may be" be substituted, and that all the words after the word "circumstances" be omitted. He spoke as follows.]

My Lord, as I have stated in my minute of dissent, I am in sympathy with the general principles of the Bill, and I should have been glad to give a silent vote in support of the measure, but for the fact that one or two of the provisions of the Bill are open to serious objection and will in my opinion be productive of injustice in practical operation. The Council must have seen by this time that one important change that the Bill proposes to make is where it empowers the manager to disturb even old leases either by revision or cancellation. I say nothing about the policy of re-opening these leases. If it is necessary, in order to secure effectively the objects of the old Act, to disturb these leases, by all means let the manager have that

power. But the Legislature should see that in giving this power it does not empower the manager to inflict injustice on an innocent party. It is admitted by the Hon'ble Member in charge of the Bill that some of the lessees who might be dealt with under this provision are likely to be agriculturists. And I would submit to the Council that where a lease has been obtained *bonâ fide* or where it has been obtained by a man who is not a money-lender, there no case whatsoever has been made out for closing to him the Civil Courts in regard to the compensation to which he may be justly entitled. The Hindu Sabha has given instances where the manager set aside two leases—one obtained for Rs. 21,000 and the other for something like Rs. 60,000. In each case the manager declined to pay compensation for cancelling the lease, but in each case resort to the Civil Courts resulted in compensation being awarded. This shows the danger of making the manager the sole master of the situation which it is now proposed to do, as the Bill leaves the question of compensation practically entirely to the manager. The object of my amendment is two-fold. First to secure that where an old lease has been set aside by the manager, compensation which is not merely equitable in his opinion, but which is reasonable in the circumstances, shall be paid to the lessee. Secondly, if there is a dispute as to whether reasonable compensation has been offered or not, the Civil Courts shall not be closed to the aggrieved

ed party. My Lord, I submit that this proposal to leave everything to the manager is not justified. It is true that the manager is an officer of Government. All the same he is in the position of an interested party. He is expected to free these estates from incumbrances and naturally his bias must be against the money-lenders or others who may have claims on the property. I do not say that he would be consciously unfair; but his bias may lead him to take a view of the situation involving serious injustice to a lessee. The only argument that I have heard in favour of the proposed provision is that the Civil Courts take a long time in settling disputes. It is said that, if the manager has to wait for their decision before taking effective steps to free an estate from incumbrances, then he would have to wait a very long time indeed. I think this objection will be met by what I have proposed in my two amendments. If it is provided that the manager should offer what he thinks fair compensation, leaving it to the other party, the lessee, to accept or refuse it, and to go to Court if he refused it,—if this is done and then the power of eviction is vested in the manager after such compensation is offered, the manager would be able to take the estate into immediate possession and the question of compensation will have to be fought out in the Law Courts. One advantage of leaving the Courts open will be to give a due sense of responsibility to the manager. If he

knows that his action is liable to be challenged in a Court of law, that in itself will make him hesitate before he offers compensation which is wholly inadequate. I really do not understand why the Government should show such a want of confidence in their own Civil Courts. It is a general feeling that there has been a tendency of late for the executive to encroach upon the province of the judiciary, and I regret that this provision to which I have taken exception is likely to emphasize this impression. The policy of Government in dealing with agricultural indebtedness by means of legislation is also already regarded with a certain amount of prejudice by the people, and this prejudice is likely to be still further aggravated by provisions such as this, which in practice will, without doubt, result in injustice and confiscation.

[At the same meeting, the Hon'ble Mr. Golchale moved that in sub-section (4) proposed to be added to section 22 of the Sindh Encumbered Estates Act, 1896, by clause 6, sub-clause (c), of the Bill, as amended by the Select Committee, between the word "cancelled" and the word "refuses" the words "and to whom any compensation awarded has been paid or offered" be inserted. He spoke as follows.]

The object of this amendment is this. The manager sets aside an old lease and he awards a certain compensation to the lessee. The compensation is not actually paid, but the manager merely enters the amount in

the list which he keeps in his office; and on the mere strength of his having set down this amount against the moneylender or lessee, he proceeds to evict the lessee and take possession of the estate, which up to that time was in the possession of the lessee. Now this is very hard on the lessee. I recognize that the Select Committee have to a certain extent modified the provisions of the Bill as originally drafted, in this respect, and as far as it goes the modification is an improvement. As the Bill was originally drafted there was no provision as to when this compensation may be paid. The Select Committee have given this compensation precedence over all liabilities except the liabilities due to Government. To that extent I think the Select Committee have improved the original Bill. But this does not go far enough. The Hindu Sabha has pointed out that there have been numerous cases where claims have been awarded, but not paid. The amount has been fixed, but though it is several years, it has not been paid and no interest is allowed. We are also told that the manager often finds it difficult to raise loans. I may point out that when the amount of compensation has been settled, it is to the advantage of the estate that the payment of this amount should be postponed as long as possible. If the manager had to pay interest he would pay the amount as soon as possible, because otherwise interest charges would accrue. But since he is not bound to pay interest, it

is to the advantage of the estate that the payment to be made should be postponed "as far as possible. Now this is most unjust. A lessee may have invested his all in securing a lease. Such cases may be very few, but that does not affect my argument. He may have enjoyed the lease, or his children may have done so, for a number of years. Suddenly the manager comes in, sets aside the lease and puts down a certain sum in his list as due by way of compensation, and proceeds to evict. What are these people to do? On what are they to live since they have invested their all in securing the lease? Cases of this kind are likely to occur, and it does not seem to me to be right that the legislature should arm the manager with powers to inflict such injustice. My object, moreover, in moving this amendment is larger than this. I want to raise the question of the policy of Government in regard to this matter. The question of agricultural indebtedness has been hitherto sought to be dealt with by the Government by a mere turn of the legislative screw only. The Government in the past have carefully shrunk from accepting any money responsibility. I think this is not the proper way of proceeding to deal with the question. Local Governments have repeatedly urged upon the Government of India the necessity of their advancing money in order that liquidation schemes may be taken in hand and pushed on. If you leave managers to raise money in the open market for the

purpose, then it is merely a choice of exchanging one set of creditors for another set of creditors. I have looked up the proceedings of this Council when the Act of 1896 was passed and when the financial policy of the Government of India on this subject was enunciated by Sir James Westland. It must, however, be remembered that the finances of the Government were not in such a prosperous condition in those days, and therefore any enunciation of the policy of the Government made in those days need not hold good to-day. Sir James Westland remarked that it was quite true that the Government could borrow at $3\frac{1}{2}$ per cent. and advance at 5 per cent, and this would be not only to the interest of the estate which could not borrow at 5 per cent. in the open market, but it would also be to the interest of the Government, because the Government would be making a profit. But he said that the Government would in that case be entering the money-market in competition with private money-lenders, and thereby inflicting unjustifiable injury on the latter. It would thus seem that a tender solicitude for the interests of the money-lender, who otherwise has always been treated as if he was beyond the pale of civilized society, is at the bottom of the policy of Government. But if the money-lender does not deserve sympathy, what does it matter to the Government whether he has a prosperous business in any particular locality or not? I do not see why his interests should stand in the way

of a proposal which in every respect is admitted to be a beneficial one. It must be remembered that the Local Governments—notably the Government of Bombay—have always been in favour of the policy I am urging. If the Government revises its present policy and loans are raised by the Government specially for the purpose of freeing encumbered estates, then all these difficulties will disappear. A compensation that is thought fair may at once then be offered and paid to the lessee, and then there would be no grievance so far as his eviction was concerned.

I understand that the Finance Department has always strenuously resisted the adoption of such a policy, and it may be urged by the Finance Minister that the borrowing powers of Government are limited, and whatever loans can be raised are required for railways and other public works. Now, in the first place, there is nothing to prevent the Government of India from approaching the authorities in England for increased borrowing powers; and, secondly, the surpluses which the Government may have as in recent years might be ear-marked for the relief of agricultural indebtedness. During the last seven years the surpluses have amounted to over thirty millions, and these surpluses have been almost exclusively devoted to the extension of railways. If a considerable portion of this money had been set aside for the relief of agricultural indebtedness, a great deal of good work might have been done.

SINDH ENCUMBERED ESTATES ACT, 1896. 339

However, there is no use in talking about the past, but there is nothing to prevent the Government in ear-marking such amounts in future. The Finance Department, it may be remarked, need not after all be the whole Government of India, and if the Government will adopt a liberal and courageous policy, the Finance Department will have to carry out that policy.

[At the same meeting, replying to criticisms made on his amendment above, the Hon. Mr. Gokhale made the following speech.]

The Hon'ble Sir Denzil Ibbetson deprecates my reference to the financial policy of the Government on the score that this is not a discussion on the Budget. I should have thought that, considering how this same question was raised and discussed at some length—discussed by the members of the Government itself—in 1896, when the Act which we are now amending was last before the Council, this should have been about the last objection which any one, especially a member of Government, should have raised to my remarks. However, as the Hon'ble Mr. Baker has made a statement on the subject, I will not say anything more about the Hon'ble Sir Denzil Ibbetson's objection. I will only content myself with the remark that, if Sir Denzil Ibbetson wishes me to postpone my remarks till the Budget is before us, I am quite prepared to do so, and I only hope he will then deal with the question fully. As regards what he has said about not paying the lessee at once, the whole argument is,

I fear, based on an assumption which is not justified. He used the word 'inequitable' over and over again. What right has he to assume that a lease that is set aside is necessarily inequitable? The power of the manager to set aside a lease is not confined to inequitable leases. I do not think any one is justified in assuming that because in the interests of an estate the manager thinks fit to set aside a lease, therefore the lease is bad and the lessee is not entitled to the protection of the Law Courts or whatever other protection he is at present able to seek.

As regards the financial policy of Government, the statement which the Hon'ble Mr. Baker has made is to a certain extent satisfactory, in that it shows that the door is not absolutely closed to the adoption of a policy such as I have suggested. In 1896, when Sir James Westland dealt with this question (I looked at the proceedings only this morning and so I speak with my memory refreshed), he dealt with it on the lines which I have indicated, and put it as a question of not entering into competition with the money-lenders and thereby injuring their legitimate business. He went so far as to say that even if a manager could raise loans in the market at a rate of 6, 7 or 8 per cent. interest from the money-lenders, that would be a much fairer course to pursue than that the Government should come in and advance money at 5 per cent. and thereby disturb the business of the money-lenders.

SINDH ENCUMBERED ESTATES ACT, 1896. 341

As regards the borrowing powers of the Government, I have always understood that there was a limit imposed upon the annual borrowing powers of the Government of India. I remember having read the report of a Parliamentary Committee appointed more than twenty years ago, of which, if I remember right, Lord George Hamilton was Chairman. That Committee made some recommendations, and the restrictions then imposed, I thought, held good to-day. If there is no limit, there need be no difficulty in borrowing more than the usual loan for public works, because the credit of the Government of India is as good as that of any Government in the world.

The question is this : is the question of dealing with agricultural indebtedness as important as the necessity of extending railways or dealing with frontier difficulties, and similar questions? The Government freely borrows for these latter purposes. To my mind borrowing for the relief of agricultural indebtedness is a necessity as great as any of these. The whole policy of the Government in this matter has got to be revised and placed on a larger basis. I quite admit that it would not be possible to discuss such a policy in all its bearings when a small Bill like this dealing with a particular province is under discussion. I have only thrown out a suggestion, and notwithstanding the remarks of the Hon'ble Mr. Baker, I venture to hope that it will engage the attention of Government at an early date.

FINANCIAL STATEMENT, 1900-01.

Your Excellency,—Before venturing to offer a few observations in connection with the Financial Statement before us, I desire very respectfully to associate myself with what has fallen from Your Excellency and the honourable members who have preceded me, about the great loss which the Administration of this Presidency has sustained in the sad and terribly sudden death of Mr. Nugent. It is a mournful reflection that almost the last work of Mr. Nugent's hands was this Financial Statement, for considering which the Council has met to-day. The statement taken as a whole is a full and fair statement of the financial position of the Presidency, and it breathes in many of its passages a spirit of large-hearted sympathy with the distressed poor, which calls for our grateful recognition. We shall miss in the discussion of this statement Mr. Nugent's clear and vigorous grasp of principles, his

quaint humour, his directness and force. The loss of so able and devoted a public servant is bound to be felt at all times ; but, at this juncture, it is nothing less than a public calamity, when the Presidency has not yet emerged from a famine of terrible severity, and when its finances needed more than ever the guidance of his experienced hands. However, the service of which Mr. Nugent was so distinguished a member is not poor in men of his calibre, and we have every confidence that his successor will deal with the situation in a generous spirit, and in a manner which will earn for the Government the abiding gratitude of the people.

THE FAMINE.

My Lord, the last four years have been years of frightful sufferings for the greater portion of this Presidency. Famine and plague, plague and famine, these have been our lot almost without intermission. It is admitted, on all hands, that the last famine was absolutely unparalleled in its extent and intensity even in this famine-frequented land. Government have no doubt done much to relieve the situation, and for all that they have done the people of this Presidency are duly grateful. It is also a pleasure to us to acknowledge the devoted efforts which many officers of Government, especially many District Officers, have made to save life and mitigate suffering. May I, in this connection, though I am not directly connected with his Division, offer my respectful tribute of admiration to the

Hon. Mr. Lely, Commissioner of the Northern Division, for the splendid exertions which he has, by all accounts, throughout made to soften the rigour of the calamity which has so largely overtaken the people of his Division. I hope, though I have heard nothing on this point one way or the other, that the Commissioner of my own Division was not behindhand in pleading for indulgence and generosity in the treatment of the people belonging to his Division. But while the non-official public is glad to express its cordial appreciation of the devoted labours of many Government officers, and while we are by no means unmindful of the large amount of relief which Government have bestowed on hundreds of thousands of helpless human beings, I feel bound to say that, owing to the excessive rigidity of the system of relief adopted, the over zeal in the wrong direction of the several subordinate officials and such other causes, the actual administration of relief has not been as satisfactory as it might otherwise have been, or as Government themselves must have wished.

EXCESSIVE CONCENTRATION OF LABOUR.

Excessive concentration of labour on large relief works, excessive rigour in adhering to the provisions of the Famine Code, excessive tasking and excessive fining—these have, in several places, largely interfered with the effectiveness of the relief which Government intended the relief works to afford. Then, gratuitous relief has been given in this Presidency on too restrict-

ed a scale. Lastly, in the matter of Revenue collections, far less liberality has been shown to the stricken people here than they had a right to expect at the hands of the State, and in some cases unjustifiably harsh methods have been resorted to, mainly by over-zealous subordinates, for realizing the Government dues. In offering this criticism I do not rely on mere general impressions, or the statements in newspapers. I respectfully ask leave to appeal to the testimony of figures. My Lord, last month a very interesting volume was presented to Parliament by command of Her Majesty, dealing with Famine Relief operations in British India during 1899-1900. This volume contains monthly reports made by the several Local Governments to the Supreme Government on Famine Relief operations in their respective provinces. These reports, available to the people of India only after they have been published at a distance of six thousand miles, bring down the narrative of Famine Relief to the end of March last, except in the case of Bombay, whose last report published in the Blue-Book is for February, 1900. The Famine notifications, however, published week after week in the *Bombay Government Gazette*, give much of the information contained in these Reports to the Government of India. And, indeed, so far as the numbers relieved and sums expended on relief in Bombay are concerned, I have compiled my figures from the weekly notifications in the *Bombay Government Gazette*, and

not from the incomplete reports published in the Blue-Book.

COMPARATIVE STATISTICS.

I have taken the period of 18 weeks from 25th November to 31st March for purposes of my analysis and comparison, because it is only for this period that the Bombay Government have published figures of expenditure incurred on famine relief in their weekly notifications. This period is a fair one for comparison also for two other reasons—first, that it includes one month of the time prior to the issue of Mr. Holderness' December circular, which, whatever may have been the intentions of the Government of India, was certainly unfortunately worded, and was issued at an unfortunate moment; secondly, that the period is separated by a considerable interval from the month of May, when that fearful outbreak of cholera in Guzerat and elsewhere carried off thousands and tens of thousands, and practically upset the greater part of the machinery of relief. Now, my Lord, let us see how this dire visitation was dealt with in Bombay and the Central Provinces during this period. I take the Central Provinces for comparison, because, like Bombay, those Provinces had suffered from famine only two years previously. Such a comparison is also fair by reason of a general similarity of conditions in the two provinces as regards the life and habits of the people in ordinary times, as also in reference to the extent and

severity of the famine of last year. And what are the results of the comparison? I find that, during this period of 18 weeks, the Bombay Government relieved a total of 83 million units of workers, 22·8 million units of dependents, and 6·7 million units of persons in receipt of gratuitous relief in poor houses or villages, or a grand total of 112·5 million units, the population of the affected area during this time being 10 millions.

COST PER THOUSAND RELIEVED.

During this same period the Government of the Central Provinces relieved a total of 114·6 million units of workers, 12·3 million units of dependents and 41 million units of those who were in receipt of relief in poor houses or villages, or a grand total of 167·9 million units, the population of the affected area during this time being 8·4 millions. The Bombay Government spent 72·65 lakhs of rupees in relieving 83 million units of workers, which gives for Bombay a rate of 87·5 rupees per thousand units of workers. The expenditure incurred by the Central Provinces Government on the relief of 114·6 million units of workers was 86·3 lakhs of rupees, which gives a ratio of 75·3 rupees per thousand units of workers. But during this period the average prices of the cheapest staple grains in the affected portions of Bombay were about 25 per cent. higher than in the corresponding portions of the Central Provinces. The average in Bombay was throughout these four months a little less

than 18lbs. to the rupee—I take it at 18lbs. The average price in the Central Provinces was between 22 and 23 lbs. a rupee—I take it at 22lbs. This shows that the average price in Bombay was 22 per cent. higher than in the Central Provinces. 75·3 rupees in the Central Provinces were, therefore, equal to 91·5 rupees in Bombay, which means that the Bombay scale of expenditure on workers was Rs. 4 per thousand units less than in the Central Provinces.

AMOUNT OF FINES.

I think that these Rs. 4 per thousand units practically represent the amount of fines levied in this Presidency over the standard of the Central Provinces. This, however, does not state the whole difference, for, as the last Famine Commission observe in paragraph 363 of their Report, the Bombay figures of direct relief expenditure probably include cost of hutting, and it does not appear that the Central Provinces figures include that cost. Moreover, even if the figures for both Provinces included the cost of hutting, this cost would be much larger in Bombay owing to its relying, till recently, almost exclusively on large works, whereas in the Central Provinces a large resort to small relief works has been a prominent feature of the relief administration. One useful test on this point is supplied by the number of dependents, mostly non-working children, relieved gratuitously on relief works. In Bombay such dependents formed 20·2 per cent. of the

total units relieved during the four months, as against only 7·4 per cent. in the Central Provinces, thus showing that many more mothers lived on relief works with their children in Bombay than was the case in the Central Provinces. Another important point of difference between the two administrations is the comparatively small number of persons gratuitously relieved in poor houses or villages in Bombay. I find that, while in the Central Provinces 41 million units out of a total of 167·9 million units, or practically $\frac{1}{4}$, were so relieved, in Bombay only 6·7 million units out of a total of 112·5 million units, or only 6 per cent. were so relieved. Of course, this great difference is partly due to the larger number of non-working children relieved on relief works in Bombay. Still the fact remains that a much larger proportion was relieved in the Central Provinces without having to put up with all those hardships and discomforts and risks to healths which are inseparable from residence in large relief camps than was the case in Bombay. My Lord, these are not very satisfactory figures, and to one who would like to see his Presidency ahead of all other provinces in such matters, they are somewhat disappointing.

MORTALITY RETURNS.

I have no wish to establish a direct connection between these different figures, and the different rates of mortality that have prevailed in the famine areas of the two provinces during the time. Still the mortality

returns are striking. And, with Your Excellency's permission, I will merely mention them to the Council. The Central Provinces' Report for December gives figures for all the 18 districts, and we find that in 15 of them the mortality was below 2·5 per mille, in one it was below 3, and in two it was below 3·5. The Bombay Report for December gives the rates for only 5 districts, and we find that in none of them is the mortality below 2·5 per mille. In one it is 2·53, in one 3·23, in one 4·79, and in the remaining two between 5·5 and 6. In January we find that twelve districts out of 18 in the Central Provinces have a mortality below 2·5 per mille. In four it is between 2·5 and 3, in one it is 3·14, and in one it is 4·95. The Bombay Report for January gives figures for 15 districts, from which we see that in three districts the mortality was below 2·5 per mille, in two it was between 2·5 and 3, in three between 3 and 4, in two between 4 and 5, in two between 5 and 6, in one it was 8·4, and in two it was between 9 and 10. In February nine districts in the Central Provinces had a mortality rate below 2·5; four had a rate below 3, four others between 3 and 4, and one had a rate of 6. In Bombay out of the 13 districts for which figures are given, four are below 2·5, three are between 3 and 4, three between 4 and 5, one has 5·95, one has 7·9, and one has 12·58 per mille. There is no report for March from the Bombay Government in the Blue-Book, and it is, therefore, not possible

to continue the comparison further. It should be remembered that this very high mortality in Bombay was long before the fearful outbreak of cholera in Guzerat and other places in April and May last.

SHOLAPUR AND NASIK.

Coming now to my own Division, I find that Sholapur more than maintains the average expenditure for the Bombay Presidency for relieving one thousand units of workers. Sholapur relieved during the four months 10·9 million units of workers at an average cost of Rs. 93-2 per thousand units, which rate compares very favourably with Rs. 87-5 for the whole Presidency. This is all the more satisfactory, since prices in Sholapur were during the period a little lower than 18 lbs. a rupee, which was the average for the whole famine area of the Presidency. During this same period Ahmednagar relieved 12·9 million units of workers at an average cost of close upon Rs. 87 per thousand units. Khandesh relieved 21·5 million units of workers, and here also the average rate of expenditure for the Presidency was nearly maintained, which is somewhat surprising, seeing that at one time there were numerous complaints about excessive fines being imposed in this district. Next comes Poona which relieved 3·6 million units of workers at an average cost of Rs. 79-7 per thousand units, which is a very unsatisfactory result. Nasik was still worse, relieving 6 million units of workers at an average cost of Rs. 72-4 per thousand

units, but in this District prices were generally lower than the average of 18lbs. to the rupee, and this is to a certain extent a counterbalancing consideration. The most unsatisfactory figures in this respect are for Satara, which relieved 2·15 million units of workers at a cost of Rs. 71-7 per thousand units, a result which clearly shows that the complaints frequently coming from this District that excessive fining was going on on relief works were substantially correct. As regards gratuitous relief in poor houses and villages, Poona stands first, 11 per cent. of its total units being thus relieved, and Sholapur and Nagar come next with 8 per cent., all these three Districts being above the average for the Presidency. But the percentages for Khandesh, Nasik and Satara are most unsatisfactory, Khandesh relieving in poor houses and villages only 3 per cent. of its total units, and Nasik and Satara not more than one per cent. each.

QUESTION OF SUSPENSIONS.

I now pass to the question of suspensions and remissions of land revenue. Here again Bombay compares very unfavourably with the Central Provinces. The Famine Commission of 1878 has strongly recommended that "suspensions ought to be liberally given to all but the wealthier individuals and those who from exceptional advantages have escaped the general failure of the crops, and that great care must be taken that the granting of their relief is not unduly delayed

while enquiries are being carried on into the claims and circumstances of individuals." Now the Bombay Government, I fear, have in this matter precisely done what the Commission recommended should not be done, and they have not done that which the Commission recommended should be done, *viz.*, they have not granted suspensions in a liberal spirit, and where they have been granted, they have been delayed so long on the score of making inquiries into the means and circumstances of individuals that they have thereby lost most of their value and nearly all their grace. In the monthly reports published in the Blue-Book to which I have already referred there is a column for showing how much land revenue has been suspended up to the end of the period under report. Now I find that the Central Provinces Report for January shows the sum of 18·5 lakhs of rupees as already suspended. In the corresponding column of the Bombay Report there is no entry. The February Report for the Central Provinces reports the figure of 18·5 lakhs. But the March Report shows these suspensions at 21·64 lakhs. In the case of Bombay there is no report for March published in this volume, and in the Report for February the column for suspensions is again left a blank. Even the Punjab Reports show 12·6 lakhs as suspended in December. This figure stands at 20·3 lakhs in the January Report and at 20·5 lakhs in the March Report. Finally, in the Viceroy's telegram to the Secretary of State, dated 2nd July, 1900,

it is stated that 60 lakhs of land revenue have been suspended in the Central Provinces out of a total demand for 86 lakhs; while in the Punjab the suspensions are described as "very large." In the Financial Statement before us it is indeed stated that a demand for 84 lakhs has been suspended in this Presidency, but it is not clear whether this sum represents suspensions out of last year's demand only, or whether it includes the arrears of previous years unrealized during the last year. These arrears stood at the beginning of the last year at 14 lakhs, and as, in a letter from the Bombay Government to the Government of India, dated 13th January, 1900, published in this Blue-Book, the estimates of probable suspensions are put down at 71 lakhs, there is reason to fear that the 84 lakhs mentioned in the Financial Statement may include the unrealized arrears of previous years. However, I hope my fear is ungrounded. But even then the proportion of suspensions granted to the total land revenue of this Presidency is very meagre compared with the proportion in the Central Provinces, though it is undoubtedly much greater than was the case in the famine of 1896-97 in this Presidency.

A RELUCTANT GOVERNMENT.

Now, my Lord, I have never been able to understand why the Bombay Government should be so reluctant to give generous effect to the recommendations of the Famine Commission in this respect. The Commission

has expressly deprecated inquiries into the means and circumstances of individuals, has also expressly pointed out the risks of corruption and high-handedness inseparable from such inquiries, and has expressed its preference for making failure of crops over large areas the standard of granting suspensions instead of the inability of individual holders to pay the revenue demand. And there is no doubt that a liberal policy on these lines is bound to confer great relief on those who stand in need of it. And the State practically runs no risk in granting suspensions on these lines, for those who are well-to-do will find it impossible to escape payment when better times come, and those who are not well-to-do are entitled to these suspensions even according to the present policy of Government. Government may without difficulty raise short-term loans to take the place of the suspended revenue, and may, if necessary, charge interest on all suspended amounts. Such a policy will be more in keeping with the immemorial practice and traditions in this country, and more in harmony with the notions and feelings of the people on the subject. The present standard of Government based on inquiry into each individual's ability to pay is so arbitrary in its nature, and leaves such a dangerously wide margin of discretion to subordinates, that it inevitably gives rise to great discontent, and needlessly earns for the Government a bad name which it does not deserve. The principle

that only those who are able to pay should pay, and that no one should be forced to borrow for paying the land revenue looks very well on paper. But several instances which have recently come to light have illustrated how such a principle is apt to be worked in practice. I understand that the Collector of Khandesh issued orders last November or December directing that the expression "should not be forced to borrow" was to be interpreted as meaning "should not be forced to borrow to such an extent as to involve the borrower hopelessly in debt."

LAND MORTGAGES.

He also, I understand, ordered that, whenever lands were mortgaged, if the survey-holder failed to pay the assessment, it should be realized from the mortgagee, whether he was in possession or not. Now anybody can see that this method of realising the assessment may nominally relieve the agriculturist for the moment; but, in reality, it compels him to borrow, and that at a ruinous rate of interest, for the payment of land revenue; for the mortgagee, as a matter of course, adds whatever he pays to the State in this connection to the loan which he has already advanced to the agriculturist, and charges a high rate of interest for it into the bargain. Government have deprecated the payment of land revenue out of *tagai* advances, and they have recently issued orders calling upon revenue officers to see that no revenue is

realized out of such advances; but such payment would, in my opinion, be much better for the poor ryot than a recovery of the demand from the mortgagee, because the rate of interest which Government charge on *tagai* is much lower than the rate charged by the grasping money-lender. I understand that, in pursuance of the orders of the Collector of Khandesh, large sums were realized from mortgages in that district, and that, in some instances, harsh and high-handed methods were resorted to for realizing the amounts. The recent orders which Government have passed in connection with complaints coming from Karad in the Satara District are another illustration of the manner in which the discretion vested in the subordinate officers is often abused. I understand that in this Taluka a considerable number of village officers have been fined for alleged incapacity in the matter of realizing the State demand, inclusive of past arrears. I understand that in Karad and Supane notices have been issued to more than 95 per cent. of the Khatedars, and that in Supane the carts of some agriculturists have been distrained.

SEIZURE OF LAND.

In Nasik I hear that in several instances lands have been at once seized by Government on failure to pay the revenue after the notices were issued, the authorities there not troubling to go through the intermediate steps. I know these things have only to be brought to Your Excellency's notice to be set right, but they create

an amount of prejudice against the Government, not to talk of the addition they make to the anxieties and sufferings of the people in such hard times. However, my Lord, our chief concern now is with the present, and I earnestly appeal to Your Excellency's Government to meet the requirements of the situation in a large-hearted manner by remitting the greater portion of the demand which has not yet been realized. Especially, my Lord, is such a course necessary in the Deccan. The Central Division has during the last four or five years been hit harder than it ever was during any previous years. A succession of unfavourable years, with one severe famine already among them, has now been topped by another famine of unparalleled intensity and magnitude, and the sufferings of the poorer classes have been simply beyond words. My Lord, it is the fashion to say that in the Deccan no remissions of land revenue need ever be granted, because its assessment is fixed on an average of seasons. A statement like this is difficult to deal with by reason of its obvious vagueness. But a table which I have prepared from the annual reports of the Agricultural Department for the last ten years should meet this statement, if anything can meet it. Taking these last ten years, we find that this Division had on the whole only four average years; four other years were considerably below the average, and the remaining two were years of severe famine.

DISTRICT AVERAGES.

There was not, for the Division taken as a whole, a single year above the average during the period. Coming to the several Districts of the Division we find that Khandesh had six average years, two years below the average, one year of famine and one of severe famine. In Nasik it has been the same thing, namely, six average years, two years below the average and two severe famines. Nagar has been worse off with only three average years, five years below the average and two years of severe famine. Poona has been still more unfortunate. Here we have had only three average years out of ten, with four years below the average, one year of partial scarcity, and two years of severe famine. In Sholapur two years have been about the average, two average and two below the average, with two years of scarcity and two of severe famine. In Satara three years have been above the average, two average and three below the average, with two years of severe famine. So far, therefore, as this period of ten years is concerned, it is a myth pure and simple to say that good years balance bad years in the Deccan, and leave a fair average for all years all through. This period of ten years may roughly be divided into two equal portions of five years each, during the first of which good years and bad years did no doubt balance each other. The second period of five years, however, has been, over the greater portion of the Division, a

360 THE BOMBAY LEGISLATIVE COUNCIL.

succession of unfavourable seasons, including two severe famines separated by an interval of only two years. That the condition of the agriculturists has visibly deteriorated during the period may be seen from the fact that there has been a general reduction all over the Division in the number of plough cattle and ploughs.

| | Ploughs. | | Reduction p. c. | Plough cattle. | | Reduction p. c. |
|-------------|---------------------|---------|--------------------|---------------------|---------|--------------------|
| | 1895-6. | 1898-9. | | 1895-6. | 1898-9. | |
| | (In thou sands). | | | (In thou sands). | | |
| Khandesh. | 120.3 | 102.3 | 15 | 350.8 | 311.9 | 11 |
| Nasik ... | 78.5 | 72.2 | 7.9 | 230.8 | 211 | 8.5 |
| Nagar ... | 58.6 | 42.5 | 27.6 | 280.1 | 226.3 | 19 |
| Poona ... | 50.5 | 46.3 | 8 | 221.9 | 192 | 13.4 |
| Sholapur... | 18.1 | 15.3 | 15.5 | 194.5 | 155.6 | 20 |
| Satara ... | 38.5 | 36.8 | 4.3 | 203.4 | 184.2 | 9.6 |

THE CATTLE.

If we take the whole number of cattle, which, properly speaking, are the principal form of wealth of the poorer agriculturists, we find that in Khandesh there has been a deduction of 12.8 per cent., in Nasik of 5.6 per cent., in Nagar of 25.9 per cent., in Poona of 12.9 per cent., in Satara of 11.2 per cent., and in Sholapur of not less than 32 per cent. Of course these reductions were before the terrible mortality among cattle during last year's famine. What the position at the present moment must be we can only conjecture, and it is perhaps best not to indulge in so gloomy a conjecture. My Lord, the losses and misery of these five years have been still further aggravated

by the ravages of the plague, and I feel bound to say that it was much to be wished that Government had not realized so large a percentage of their revenue in the Deccan as they have already done. From a statement which the *Times of India* published last month, we find that, except in Ahmednagar, the greater part of the land revenue had been collected in the Central Division by the end of June, the percentages of realization to the total demand for the year being 70 in Sholapur and Nasik, 67 in Satara, 60 in Khandesh and 52 in Poona. In addition to these figures, some more revenue must have come in during the last month. It is difficult to believe that these high percentages could have been realized without causing much hardship and privation to numbers of families, and compelling some who might have hitherto tried to keep their heads above water to take their first plunge into debt. A large portion of this must have also been collected from mortgagees direct. Moreover, I hear that the percentages for similarly situated talukas in one and the same district vary greatly in several cases, showing the extent of harshness practised in some talukas for the recovery of land revenue. My Lord, I regret to say that the traditions of the Bombay Government in this matter have never been in the direction of liberality.

FAMINE COMMISSIONS AND THE PRESIDENCY.

The Famine Commission of 1878 has noted that the Bombay Government of that time had done the least to

relieve the people in this respect and the Madras Government the most. The last Famine Commission has also found fault with the Bombay Government for granting extremely small suspensions and practically no remissions. I do not know why this Government should cling so tenaciously to these traditions of illiberality, and I respectfully, but most earnestly, appeal to Your Excellency to break through them once for all. I am the more emboldened to make this appeal, because Your Excellency's munificent contributions to the famine fund from your private purse have made it clear to everybody how your heart goes out to these poor people, how deeply Your Excellency sympathizes with them in their trouble. My Lord, the past is beyond recall, but I respectfully suggest that such of the land revenue as has not yet been realized be nearly all of it remitted at once, because all those who could have possibly paid the Government demand by using their resources or credit, must have already done so; and, in the present situation of our peasantry, it is necessary to give many of them a fresh start in life without placing this millstone of arrears round their necks. I am confident that such liberal treatment of the peasantry will return tenfold to the State in the increased prosperity and contentment of these people. My Lord, I have spoken at such length on this subject of famine relief and suspensions and remissions of land revenue, because the first has almost exclusively engaged the attention of the

public as of Government during the past year, while the second not merely has a reference to the past year, but is also a matter of the most pressing importance at this moment. Having already taken up so much time of the Council, I have no wish to detain them much longer. But, I will, if Your Excellency will bear with me, briefly refer to one other matter, and that is the levy of enhanced rates of assessment in the Indapoor taluka in the current year, for which the Budget presumably makes provision. My Lord, the papers about the situation of this taluka published a few months ago are melancholy reading, as showing how even plain considerations are sometimes ignored by the Departments interested in enhancing the revenue demand of Government on land. When this taluka was settled in 1867 its revenue demand was raised from Rs. 81,000 to Rs. 1,24,500 a year. It was then stated that considering the circumstances of the taluka the revised amount was a light one, and that the taluka would be able to pay without the least difficulty. Things, however, turned out otherwise. Owing to low prices and other causes, the condition of the taluka became so serious that in seven more years Government thought it necessary, on the representations of public bodies in the Deccan, to reduce the assessment from Rs. 1,25,000 to Rs. 1,11,000 a year. The actual demand, however, for some years past, has been about Rs. 1,03,000. It has now been decided by Govern-

ment to raise this assessment by about 30 per cent., that is, to about Rs. 1,34,000. And these enhanced rates will be for the first time levied in the current year. The principal ground on which the enhancement was recommended by the Settlement Officer was the usual one of a rise in prices—the two staple grains of the taluka, jowari and bajri, having risen by 24 and 33 per cent. respectively in price. Now, in the first place, the returns of prices for 30 years ago must be accepted with great caution. Assuming, however, that they are reliable, and that prices have risen, as stated by Mr. Young, it is astonishing how nearly every officer of Government concerned in this enhancement lost sight of the fact, stated in paragraph 17 of Mr. Young's report, that the principal staple, namely, jowari, which is about $\frac{2}{3}$ of the total produce of the taluka, has risen only 24 per cent. in price, while bajri which has risen 33 per cent., is only $\frac{1}{3}$ (one-ninth) of the produce. Again, my Lord, it has been declared that the policy of Government is to raise the assessment by about half the percentage of the rise in prices. Thus Sir Bartle Frere, a most distinguished authority on this subject, stated before a Parliamentary Committee in 1871, that if the rise in prices in a place to be re-settled in the Bombay Presidency was 20 per cent. Government raised its assessment by 10 per cent. and gave the benefit of the other half to the ryot.

MR. YOUNG'S ACTION.

Among other grounds stated by Mr. Young for justifying his proposals for an increase, I find an increase of 25 per cent. in population mentioned. Now whatever an increase in population may indicate in other countries, in this country, where marriage is practically compulsory, it very often indicates a greater deterioration in the standard of living of the people. That this is so in the case of Indapur is clear from the fact that, while the population has increased by 25 per cent., cattle, which are the principal wealth of agriculturists, have not risen by even 10 per cent. These figures, which Mr. Young has given, are for 1895-96, since which time there has been a steady diminution in the number of cattle. Mr. Young also mentions an increase in wells and *dabakis* as a sign of increased prosperity, but the claim on this account is more than discounted by the statement, also contained in his report, that the area under well irrigation in the taluka, so far from increasing, has actually diminished. Then Mr. Young mentions that there are now more roads in and near Indapur than there were thirty years ago. Now apart from the fact that these roads have been constructed out of local funds, their contribution to an increase in agricultural profits is already represented in the rise in prices, and therefore to take this factor into account in addition to prices is really to count it twice over.

Under these circumstances, my Lord, an increase of 30 per cent. in the assessment is a most exorbitant increase. One is at a loss to understand how the several officers through whose hands Mr. Young's recommendations passed did not challenge his proposal to increase the assessment by 30 per cent., when the area under cultivation had actually diminished, and the principal food-stuff had not risen in price, according to his own showing, by more than 24 per cent. It is true that the Hon'ble Mr. Muir-Mackenzie's support of the recommendations is half-hearted, and I detect in several of his sentences a vein of sarcasm, as when he reminds Government with what confidence it was predicted in 1867 that the settlement then effected would work smoothly, and how that confidence was afterwards found to be misplaced, and when he advises Government that, if they have the faintest doubt as to the capability of the taluka to bear the enhancement proposed, they should give the benefit of the doubt to the taluka. I, therefore, earnestly implore Government to reconsider this question, and in any case not to levy the enhanced rates during the current year.

ABATE THE STATE DEMAND.

Indeed, during this year it would be a wise and generous policy to abate a portion of the ordinary State demand in view of the ground which the agriculturists have lost all over the Division, so as to enable them to recover that ground at least partially.

In this connection I would also urge that, now that the Survey Department has been closed, Government should announce once for all, as indicated in the correspondence between this Government and the Government of India in 1883 on the subject, that henceforth, when settlements are revised, enhancements will be made only on three grounds, namely, increased area under cultivation, higher prices, or increased production owing to improvements made by Government. Unless this is done, the settlement operations will be apt, as at present, to unsettle everything instead of settling anything. My Lord, I feel I have trespassed much too long on the time and attention of the Council. I had at one time intended to make a few observations on the Police and Abkari Departments and the financial position of Municipal and Local Boards. But I have put all those questions aside, and confined myself exclusively to the land revenue question and the question of famine relief, because I thought it my duty in these days of general suffering, to plead in this Council for universal leniency and generosity in the treatment of those who have been hit so hard.

BACKBONE OF OUR FINANCE.

My Lord, our peasant is the backbone of our finance. It is sometimes said that he is on the whole very lightly taxed, and that the salt-tax is the only tax which he contributes to the State, the Government assessment on land being in the nature of an economic rent.

I do not propose to discuss whether the assessment is purely an economic rent, or is in part at least a tax, but this I believe will be admitted by everybody that, between the money-lender and the Government, the ryot has, in paying the land revenue, to trench seriously upon what may be called his margin of legitimate remuneration. But this is not all that he contributes to the State. The bulk of the Abkari revenue is contributed by him. The Forest revenue comes practically from his slender purse, if, indeed, he has a purse. He contributes a substantial portion of the stamp and registration fees. The salt-tax, as also all duties on such imports as he consumes, falls heavily on him relatively to his resources. Practically the income-tax is the only tax which he does not pay. Whoever, therefore, among the Indian people, may be lightly taxed, the peasant is surely the most heavily burdened among them all. In the best of times his lot is hard, and when mother nature grows unkind, not all the efforts of a benevolent Government save him from immense misery. He, however, endures all meekly, patiently, without a word of complaint. Surely it will be a mark of the highest statesmanship to introduce a ray of hope and light into the gloom which generally surrounds his life. If your Lordship is enabled by Providence to do something in this direction during your term of office, your name will be handed down to posterity as that of a great benefactor of the land.

FINANCIAL STATEMENT, 1901-02.

[At a meeting of the Bombay Legislative Council held at Poona on the 22nd August 1901, Lord Northcote presiding, the Hon. Mr. G. K. Gokhale spoke as follows on the Financial Statement for the year 1901-02.]

Your Excellency,—It is, I confess, a somewhat ungracious task to have to criticise a Financial Statement, such as it has fallen to the lot of the honourable member to lay before this Council. The statement contains, as usual, the actuals for one year, the revised estimates for another, and the Budget estimates for a third ; and in every one of these three years a deficit has been averted only by a special contribution in aid from the Government of India. A position so desperate might ordinarily be expected to disarm criticism, and if the non-official members of the Council venture to offer to-day a few observations on the administration of the finances of the Presidency, it is not because they fail to recognize the great difficulties which the honourable member has had to contend with or that they do not appreciate the hard work and unremitting vigilance and the honest desire to be fair to all interests which characterise the honourable member's discharge of his duties. My Lord, this is the only opportunity that we get in the course of the year to give expression to our views in regard to the several branches of the

Provincial administration, and in our criticism, therefore, we naturally have in view not so much the particular work of the revenue member for the year as the general administration of the finances of the Presidency. The Budget discussion of last year, the Council will remember, turned mainly on the character of the land revenue administration of the Bombay Government. The question has assumed, if anything, even greater prominence to-day, and I think the more important objections to the present system might be usefully summed up on this occasion.

Our first contention is that the assessments are in some cases excessive, and that over large areas they are very uneven. That the poorer lands are in some cases over-assessed was admitted by the honourable member himself at Mahableshwar, and the fact that the assessments in numerous instances are very uneven is, I believe, not denied ; but the honourable member holds that, on the whole, the assessments are moderate and reasonable, and he relies on two phenomena in support of his opinion. The first is that the average selling value of land is now about twenty-five times the assessment, and the second is that money rents are from twice to seven times the assessment. Now, I would, in the first place, like to know how the average selling price is determined. The Deccan Agriculturists' Relief Act Commission of 1891 has given in its report figures of selling value for the four districts in which the

Act is in operation for nine years—from 1883 to 1891—from which I find that while in the districts of Poona and Satara the average selling value during the time was about twenty-five times the assessment, in Sholapur and Ahmednagar it was about eleven times the assessment. And since 1891 we have had a period of great agricultural depression, and the selling value of land could not certainly have gone up during this time. Assuming, however, that the average price of land to-day is about twenty-five times the assessment, that by itself, I submit, does not prove much. It is well known that our people, especially retired Government servants, when they have any savings to invest, invariably try to buy land, not merely because the possession of land carries with it a certain social status, and agricultural pursuits furnish the most congenial occupation to old men, but because these people do not consider any investment safe except investment in land or Government securities, and between the two they naturally choose the former wherever they can. Capital with us is exceedingly timid, and shrinks from the first risks to which a new industrial undertaking is exposed ; joint stock enterprise is still very feeble, and thus we have the deplorable phenomenon that, while the great want of the country is capital for industrial undertakings, a large portion of our savings comes to be locked up in land or Government securities. And these men who invest in land in haste, as a rule, repent

at leisure. One constantly hears the complaint from those who buy land that taking one year with another they do not get more than two or three per cent. interest on their investment. The high market value of land, therefore, is more an indication of the competition among buyers than of low assessment. As regards money rents being twice to seven times the assessment, I admit that where such rents are realized, and where they are strictly economic rents, that is, where they do not trench upon what should go to the cultivator as his fair share of wages, they are an indication that the assessment is not high. But are these money rents always more than double the assessment? I have made inquiries in the Shevgaon and Nevasatalukas of the Ahmednagar District on this point, and I find that in several instances the assessment is two-thirds or three-fourths of the money rent. I have got with me details of names and survey numbers which I shall be glad to supply to the honourable member if he likes. Then, again, as an able and indefatigable correspondent of the *Times of India* has been recently pointing out, there are large areas of very poor land which give hardly a fair return for labour, and which, in consequence, leave nothing to be paid either as rent or assessment. The whole question is, therefore, one which may fitly form the subject of a Government inquiry. The Bombay Government unfortunately does not recognise, as the Madras Government does, that

there should be a direct connection between net produce and Government assessment. It was laid down by the Court of Directors in 1856 that the Government demand should in no case exceed one-half the net produce. The Madras Government has all along followed this direction in practice, but here, in this Presidency, it was considered that the net produce was difficult to determine, and that more reliable guidance was supplied by the productive capacity of the land itself. Now, my Lord, Madras is governed by the same class of men that administer the affairs of this Presidency, and I wonder why the adoption of a standard which has been found practicable in Madras, and which is obviously based on reasonable considerations, should be found so impracticable in this Presidency.

Another observation, which I would submit on this land administration question, is that the time has now come when revision settlements should be made to follow automatically the course of prices, care being, of course, first taken to equalise the assessment where it is very uneven. Now that the Survey Department has been abolished and second revisions completed everywhere so as to secure what is called an initial settlement, there is no reason why this Government should not give the fullest effect to the policy suggested for its adoption by the Government of India in 1883. This is, I submit, not going so far as the British Government itself was prepared to go in the sixties

when Viceroys, like Lord Canning and Lord Lawrence, and Secretaries of State like Sir Charles Wood and Sir Stafford Northcote, considered that in the best interests of the State and of the people it was most desirable to settle the State demand permanently wherever certain conditions were fulfilled. Thus Your Excellency's father laid down in a famous despatch that where eighty per cent. of the cultivable land was brought under the plough, and there was no prospect of canal irrigation increasing the produce by more than twenty per cent., the State demand should be fixed in perpetuity. Unfortunately these statesmen were succeeded by others who came to think that such a permanent settlement of Government assessment involved too large a sacrifice of prospective revenue, and they, therefore, did not carry out the policy of their predecessors. And, finally, in Lord Ripon's time a compromise was arrived at, virtually intended to make the settlement dependent upon the course of prices taken every thirty years. I am aware that the Bombay Government resisted the adoption of the policy thus recommended by the Government of India, and it is an interesting fact that the correspondence on the side of the Bombay Government is signed by the Honourable Mr. Monteath, who then occupied the much humbler position of Under-Secretary to Government. But the closing of the Survey Department and the completion of second revision settlements leave practically no

justification now to the Bombay Government for postponing the adoption of that policy. Of course, it is understood that, when settlements follow prices, not more than half the increase in prices shall be taken by Government as laid down by Sir Bartle Frere and Colonel Anderson, as it is only fair that the other half should be left to the agriculturist to compensate him for the higher cost of production and the higher expense of living.

My next suggestion on this subject is that, in granting suspensions of land revenue, Government should abandon their present policy of making individual inquiries, and they should adopt crop-failure as their basis for granting the suspensions as is done in other provinces. The evils and hardships which are inseparable from the present policy of inquiring into the ability of each individual to pay, and the advantages which result from the adoption of the second method, cannot be better described than in the language of the present Chief Commissioner of the Central Provinces, from whose Famine Report for 1899-1900 I ask Your Excellency's permission to read a few extracts:—"The two factors which must influence the principles on which revenue has to be suspended in the face of a calamity like the present are : first, that under the Tenancy Law of the Province a suspension or remission of land revenue must precede a suspension or remission of rent; and, secondly, that great promptness

is essential if the full benefits are to be derived from the suspension. Theoretically, no doubt, the proper method of procedure would be to inquire into each tenant's capacity to pay his rent with reference both to the actual crops reaped and to other independent resources which he might possess, add up for each village the total rental realisable and demand the corresponding revenue from the landlord. This would be possible where a few isolated villages had been ravaged by locusts or damaged by hail. But it is practically impossible where the whole country side has been stricken by drought. And it becomes doubly impossible when the energies of the whole revenue staff are concentrated upon famine relief. The time taken in inquiries so minute would be so great that the date for a decision would have passed long before the inquiries were complete. In such matters delays must be avoided at all costs. In these circumstances capacity to pay independently of the crop must be disregarded so far as individuals are concerned.....It is the necessity of the tenants with which we have really to deal. Great masses of these have been severely stricken in the present calamity. There are some, no doubt, who could pay their rent independently of their crops, but (as has been said above) to differentiate would necessitate inquiries which it is impossible to make." Again, "the standing orders of the administration contained in revenue-book circular, 1 to 9, dealing with

suspensions necessitated by losses caused by hail, locusts, &c., and contemplating detailed inquiry holding by holding, lay down that, if a crop amounts to four annas (thirty by the new notation,) the full rent may be demanded. It was pointed out in famine circular 36 that this rule, though applicable to occasional failures in ordinary times, was much too strict a rule when the country is suffering under a wide-spread calamity. If a few individuals in isolated villages are called upon to pay a full rent out of a four-anna crop, it is very probable that they will draw upon savings or borrow. They may dispose of surplus cattle or pledge ornaments, but the chances are that, until the next harvest comes round, they will have added to their liabilities. It is, however, not unreasonable that they should be called upon to make such sacrifice. They will obtain fair prices for their ornaments or cattle, and reasonable terms if they borrow. But the case is different when the whole community is in this plight. It hardly needs demonstration that if the great majority of cultivators have to sell ornaments and cattle or borrow money, the blow to the community as well as the individual will be infinitely more severe than it was to the individuals in the hypothetical cases referred to above. The prices obtainable for surplus property fall, and it is disposed of at a ruinous loss; credit sinks to a low ebb, and those already involved are turned into applicants for famine relief. Where the position is still worse than this,

where the majority have not even reaped a four-anna crop, where credit is already low, and bad years have reduced surplus property to a minimum, it is quite evident that such a rule of thumb as the one that a four-anna crop justifies the levy of a full rent, must be abandoned." And again "whether the tract be malgujari or ryotwari, the general principle which has been followed in these proceedings,—and Mr. Fraser would submit that it is the best one,—is that where losses are isolated and few, it is proper to work from detail to aggregate, but where the calamity is widespread, the only possible course is to work from aggregate to detail."

It is quite true, my Lord, and we gratefully acknowledge the fact that this year the Bombay Government has not been illiberal in the grant of suspensions and remissions, as much as fifty-three lakhs of rupees being marked for remission and seventy-five lakhs being suspended. Government has also made tagavi advances to cultivators on an unprecedentedly large scale, and we see from the Financial Statement that it is intended to remit a portion of these advances. Unfortunately, however, the effect of these liberal concessions has been to a considerable extent marred by Government insisting on making individual inquiries, and by the great delay that has in consequence occurred in announcing the relief to the agriculturists concerned. I fear, my Lord, that, owing to this delay and owing to the appre-

hensions that have been, on all sides, aroused in consequence of the introduction of the Land Revenue Bill, an appreciable number of those on whom Government must have intended to confer the benefit of remission or suspension must have made desperate efforts to pay the Government demand. Closely connected with the necessity of granting suspensions and remissions is the question of substituting a scale of fluctuating assessments, varying automatically with the outturn of crops in place of the present policy of rigidly collecting a fixed amount in good and bad years alike. It strikes me, my Lord, as somewhat strange that a Government, which so often complains of the hopeless improvidence of the ryot, should at the same time credit him with such habits of provident thrift as to expect him to save out of a good year to make up the deficiency of a bad year. Both the Deccan Ryots' Commission and the Relief Act Commission have strongly expressed their disapproval of the present Bombay system, though the latter body have added, in a tone of helplessness, that "the Bombay Government have already decided against any system of fluctuating assessments, and the Commission have no desire to reopen the controversy." I have heard it stated, however, that recent experiences have at last led the Bombay Government to reconsider its position in this respect, and that there is some ground for hoping that the excessive rigidity of the present system will not long be maintained.

My last suggestion in this connection is that more suitable dates than those which are appointed at present should be fixed for the realization of the State demand. Both the Deccan Ryots' Commission and the Relief Act Commission have strongly recommended such a change, and I believe there are many officers of Government who admit that the present dates place the agriculturists at a considerable disadvantage in the matter of realising a fair price for his crop. It is true that if later dates than the present ones are appointed, the recovery of Government assessment may be a little more difficult, but such difficulty ought to be faced, as the present system causes a perfectly needless loss to many honest agriculturists. Thus, then, my Lord, if Government will abate the State demand where it is excessive and equalise it where it is uneven, make revision settlements in future follow automatically the course of prices and prices only, abolish individual inquiry and substitute in its place crop-failure to regulate suspensions and remissions when droughts occur, thus practically introducing fluctuating assessments in place of the present rigid collections of a fixed amount alike in good and bad years, and fix more suitable dates for the payment of the State demand, the public will have no more quarrel with the Land Revenue Administration of the Presidency, and Government will have done everything reasonable to place it on a satisfactory basis. After all, the success of the Land Administration must

be judged more by the incentives it supplies to agricultural improvement and the prosperity that it brings to the ryot than by the amount of revenue which it brings to the Exchequer of the State.

Having made these observations on the Land Revenue Administration of the Presidency, I will now, with Your Excellency's permission, offer a few remarks on the working of some of the Departments. And first I will take the Irrigation Department, which is so intimately connected with land. My Lord, it is a matter for great satisfaction that Government has been pleased to appoint an officer of the standing of Superintending Engineer on special duty for the purpose of examining the feasibility of several irrigation projects in the Presidency. I earnestly trust that his labours will bear good fruit; but whether he is able to suggest projects of some magnitude or not, I hope Government will push well-irrigation much more than is being done at present. In this connection, I would like to know why there is in this Presidency such great disproportion between the total irrigable area and the area actually irrigated. From the Irrigation Revenue Report for the year 1899-1900, I find that while the total area irrigable by the major works in the Presidency proper is 230,685 acres, the area actually irrigated last year was only 67,227 acres, or less than 30 per cent. From a Resolution of the Government of India on the subject of irrigation works issued some time ago, I find that while the average

rate per irrigated acre is in the Punjab about Rs. 3 $\frac{3}{4}$ an acre, in the North-Western Provinces nearly Rs. 4, in Madras less than Rs. 3, in Bengal and Sind less than Rs. 2, in our Presidency proper it is nearly Rs. 9 per acre. It is true that the crops grown here are shown as more valuable; still there must, I think, be some connection between the strikingly high average rate levied here and the comparatively small proportion of the total irrigable area which is actually irrigated. If this view be correct, would it not, I ask, be a better plan to lower the rate so as to lead to increased consumption of water? For the policy of high taxation and restricted consumption, which is considered to be specially suited to intoxicants, is certainly not the right policy here. Lower rates might temporarily lead to a diminution of revenue, but in the end such a policy is bound to succeed even financially.

In regard to the Forest Department I have only one suggestion to offer and one inquiry to make. The suggestion is that in view of the great depletion of agricultural stock that has taken place as a result of successive famines, the specially high fees which are levied for grazing from professional graziers should for a time at least be lowered. And the inquiry is why, while the extent of forest area in the Central and Southern Circles is nearly equal, the number of prosecutions for forest offences, as also the number of cases compounded in the Central Circle, should be so largely in

excess of those in the Southern Circle. From last year's Forest Administration Report I find that in the year 1897-98, while the number of prosecutions in the Southern Circle was only 485, that in the Central Circle was 1,580. Similarly the cases compounded in the former were 666 as against 3,389 in the latter. Also the total number of animals seized in the former was 12,968 as against 218,300 in the latter. For the year 1898-99 the figures are equally disproportionate. We have in that year 311 prosecutions, 1,199 compounded cases and 14,297 animals seized in the Southern Circle, as against 1,046 prosecutions, 3,172 cases compounded, and 145,257 animals seized in the Central Circle. Such a striking difference between the figures of two circles, which have nearly the same forest area, calls for an explanation. The Central Circle, unlike the Southern Circle, is a source of net loss to the State, and a large portion of it is, I understand, of very poor value for real forest purposes. It seems to me that a considerable area of this circle might well be disforested, and this will not merely reduce the net loss to the State, but it will relieve many villagers from harassing restrictions and the oppression of the subordinates of the department.

As regards the Abkari Department I think it is deplorable that its operations should aim so much at safe-guarding the interests of Government revenue and

so little at reducing drunkenness. Take, for instance, the cases of the Thana and Surat Districts. What has, I ask, the department done in all these years to reduce the excessive consumption of drink in these districts? The Abkari revenue has no doubt steadily risen, till in 1898 the taxation per head in these districts came to one rupee and twelve annas in Surat and one rupee and five annas in Thana, as against about four annas for the rest of the Presidency outside the Presidency town. When we remember that a large proportion of the population of these two districts must consist of total abstainers, we can easily understand how heavy a burden drink imposes on those classes in these districts that indulge in it. Government seems to imagine that its duty in this matter is done by simply making liquor as costly as it can be made by the imposition of a high duty, ignoring the obvious fact that, unless facilities for obtaining drink are reduced, a high price in the case of such an article as liquor merely means so much more taken out of the pockets of the poor consumer. Last year's Abkari Administration Report says that in the case of Thana and Surat, drink "may be regarded as almost a necessity." If Government is really of this opinion, there is no justification for its taxing liquor so highly in these two districts. Meanwhile, a gradual reduction in the number of liquor-shops ought to be tried with a view to testing if it is really impossible to wean the people from drink, and I, for

one, am hopeful that such a policy will be attended with beneficent results.

I now come to the question of income-tax collections, and here I deem it my duty to bring to Your Excellency's notice the great dissatisfaction which prevails throughout the Presidency as regards the manner in which the assessments to this tax are fixed and the sudden enhancements which are from time to time made in these amounts, not only without adequate grounds, but in some instances without the least justification whatever. The following extract from the Government Resolution on the income-tax operations of last year shows clearly the purely speculative and, therefore, highly unjust and oppressive character of some of these operations. Speaking about the working of the income-tax in the city of Bombay, the Government Resolution says :—"In the year under report the original demand was raised from Rs. 20,52,926 to Rs. 30,88,435 with the object of throwing on many assesseees the responsibilities of furnishing evidence of their income. No less than 40·71 per cent. of this demand, however, was reduced on inquiry, and the final demand, was Rs. 18,31,302 against Rs. 17,82,980, or Rs. 48,000 in excess of the previous years. But the net gain in actual collections was only Rs. 12,080. The result of the measure does not at first sight appear very satisfactory, but it is probable that without it there would have been a considerable

decrease attributed to the efforts of plague, famine, and the depression of the mill industry." Now, my Lord, it is monstrous—it is a strong term to use, but, I think, it is deserved—that in a year of general depression and widespread suffering, the original demand under the income-tax should thus be suddenly raised from 2,000,000 to 3,000,000 with no other object than that of preventing a fall in the revenue. What of the worry and anxiety and loss of time caused to the assesseees by this speculative and wholly unjustified increase in the Government demand? It appears that the Bombay assesseees were rather fortunate in the revision proceedings, but in the mofussil, while the assesseees are subjected to equally arbitrary and unaccountable enhancements of the assessment, they are not so fortunate in their attempts to get the demand revised. In cities like Poona, Ahmedabad and Surat, the powers of revision are exercised by the assessing officers themselves, and even where they are exercised by other officers the proceedings generally are of a most unsatisfactory character. It is, I think, a significant fact that while the Presidency has, during the last five years, suffered grievously from plague and famine and a depression of the mill industry due among other things to the currency legislation of Government, the Provincial share of the income-tax which is half of the whole should still stand for the year 1899-1900 at Rs. 19,90,000 as against Rs. 1,99,700,000

for the year 1894-95. The evil about capricious and highhanded assessments and the virtual impossibility of getting redress is now so widespread and has become so intolerable that it is, I respectfully submit, the duty of Government not to allow this state of things to continue longer. If Government will be pleased to appoint a special officer to inquire into the grievances of the people in this matter, and if a native colleague speaking Marathi in the Deccan, Kanarese in the Carnatic, Gujarati in Gujarat, and Sindhi, in Sindh, be associated with him, a six months' inquiry in a few selected places in each division will bring to light so many cases of hardship and injustice that Government itself will be surprised that such a state of things has prevailed so long.

The last department on which I desire to offer a few remarks is the Education Department, and here I would specially draw Your Excellency's attention to the utterly inelastic, and, therefore, highly unsatisfactory provision which is under the present system made for primary education. Outside the municipal towns the cost of this education is borne by Local Boards, which are required to spend on it one-third of the proceeds of the one-anna cess, Government ordinarily contributing a proportionate grant-in-aid. Now our assessments are fixed for thirty years, and therefore the proceeds of the one-anna cess must also remain fixed for that period. It is true that taking one district

with another the Land Revenue is always showing some increase in consequence of Revision operations going on somewhere or other. But if we take each district separately, it will be seen that the provision which it can make for primary education out of its one-anna cess is absolutely fixed for a period of thirty years, and as the Government contribution ordinarily depends upon the amounts spent by the boards, the utterly inelastic character of the provision for primary education will be at once obvious. In fact under this system no expansion can take place even to correspond to the normal growth of population. Now, my Lord, however adequate this provision might have been when public education in the Presidency was placed on its present basis, it must be admitted that we have now out-grown this system. In the leading countries of the West, the State has now definitely accepted the responsibility of supplying free primary education to all its subjects, and the United Kingdom spent last year more than thirteen million sterling from the Treasury, that is, more than 10 per cent. of its total revenues on the primary education of the people. By the side of such expenditure, how painfully paltry is the contribution of Government to the cost of primary education in this country; I think the time has come when the Government expenditure on primary education, instead of being a certain proportion of the amounts spent by the boards, should

be a certain proportion of the total Provincial revenues. There are those who ask what good this kind of education can do to the mass of people in this country. I think that it is a very narrow view to take of the matter. In individual instances primary education may not show very decided results, but taken in the mass it means for the bulk of the community a higher level of intelligence, a greater aptitude for skilled labour and a higher capacity for discriminating between right and wrong. It raises, in fact, the whole tone of the life of large numbers, and I strongly feel that its wide diffusion is even more urgently needed in this country than elsewhere. My Lord, I do not wish to detain the Council longer. I sincerely join in the hope which the honourable member has expressed in the concluding paragraph of the Financial Statement that the Presidency has, perhaps, seen the end of its financial difficulties, and that it may now enter on a period of renewed prosperity and progress.

THE BOMBAY LAND REVENUE BILL.

[At a meeting of the Bombay Legislative Council, held at Mahabaleshwar on Thursday the 30th May 1901, His Excellency Lord Northcote presiding, the Hon. Mr. J. Monteath moved the first reading of the Bill to amend the Land Revenue Code, 1879. In opposing it, the Hon. Mr. Gokhale spoke as follows.]

I am sure the Council has listened with great interest to the very lucid and comprehensive speech which the Honourable Mr. Monteath has made in introducing this Bill. In the course of the speech, the honourable member explained to us how it was that Government came to take the somewhat unusual course of summoning this meeting at this hill station. But I fear the explanation will hardly satisfy those who are of opinion that only the greatest urgency can justify a choice of time and place which cannot but be more or less inconvenient to some of the members. My Lord, I do not think it can be said that the introduction of the present measure was a matter of such extreme urgency. The only reason which the honourable member has mentioned for bringing forward the Bill at this time and place and in its present form is that the Honourable Mr. Lely considers that the present juncture is favourable for taking an important step forward towards the solution of the much-vexed

agrarian problem in the Presidency. Now with all respect for Mr. Lely, I feel bound to say, that this question is so important and so complicated that even his great authority is not sufficient to make us accept without careful examination a measure which, though apparently a small one, may not be as innocent as it looks. And the proper course for Government to adopt is, I venture to submit, to defer this kind of legislation until a careful and comprehensive enquiry has been instituted into the whole Land Revenue problem, the pressure of assessments, the extent of the indebtedness of agriculturists, the extent to which lands have gone out of their possession, the cause of relinquishments and forfeitures, the effect of the rigidity of the State demand and the general condition and resources of the agriculturists. Last year Your Excellency, in speaking of a suggestion made by the Honourable Mr. Mehta, was pleased to state at a meeting of this Council that the Famine Commission, then about to be appointed, would among other things enquire into the land revenue policy of the Bombay Government. It is true that Sir Antony MacDonnell's Commission did make in some places a sort of enquiry into the incidence of State demand and the question of suspensions and remissions, but the enquiry was not systematic, and, moreover, the report of the Commission has not yet been published, so that the public is in the dark as to the conclusion at which the Commission has

arrived in these matters. Mr. Maconochie's report is also not yet out. And thus even such help as would be available to the public after the publication of their reports in forming its judgment on these important questions is not at present available. My Lord, there is another reason for which I respectfully press for a general enquiry before such legislation is undertaken. All those who have any acquaintance with the land revenue administration of the Presidency feel that it was time that Government undertook a general revision of the Land Revenue Code. The grievances of the Inamdars, which my honourable friend the Chief of Ichalkaranji has been pressing on the attention of the Council for some time past, the provisions about the collection of revenue, about suspensions and remissions and various other matters, all these require amendment, and I think it is not all desirable that, when such a general revision of the Code is needed, Government should bring forward, and that in such hurry, an amending Bill dealing with one point only. I submit, My Lord, that such a course is nothing better than a mere tinkering with the problem. The honourable member has made a lengthy statement on the subject of the indebtedness of the peasantry and the incidence of the State demand. I do not propose to follow him in that discussion to-day. I will say something about these matters at a later stage of the Bill, but to one statement of his I think I must demur at once.

The honourable member is of opinion that the peasantry of the Deccan was even more involved in debt before British rule began than it is to-day. I do not think that there is any warrant for that statement. It is true that Mr. Elphinstone and other authorities have stated that there was a good deal of poverty and even indebtedness among the agriculturists before the Deccan came under British rule. But the Deccan Ryots Commission, after a careful examination of the question, has, if I remember right, recorded its deliberate opinion that the extent of the agriculturists' indebtedness has much increased since British rule began. And two causes contributed very materially to this result. One was Mr. Pringle's unfortunate settlement, which in the opinion of competent authorities simply ruined the peasantry of the Deccan, and the other was the facilities given by the British Government to the money-lending class in the matter of the recovery of debts. The evil of the wrong start given by Mr. Pringle's settlements to the peasantry, aggravated by the action of the Civil Courts and the embarrassment and the consequent helplessness of the peasantry, has gone on increasing with time. I do not think, therefore, that the British Government can fairly claim to be free from responsibility for the present extent of the ryots' indebtedness in the Deccan. The honourable member also observed that the State demand has nothing to do with the indebtedness of

the agriculturists. I submit this is an unsafe position for any one to take after what several Commissions have recorded on the subject. The rigidity of the State demand and the theory of averages are in no small measure responsible for driving many agriculturists into the hands of the money-lenders and I think this a point on which not much difference of opinion should be possible. Having made these few general observations I may now proceed to indicate very briefly, I think I need not do more than that at this stage of the Bill, my view of the measure which has just been introduced. And I may say at once that, as regards this proposal to restrict free transfers in the case of waste and forfeited lands which may be given on lease, I have an open mind. I admit that the proposal, as far as it goes, interferes with no vested rights. I also admit that under certain conceivable circumstances such restriction may be the lesser of two evils. But have such circumstances, I ask, arisen? What evidence is there to show that they have? I listened very attentively to the honourable member's speech and I confess I have not been convinced by it. I confess I am very doubtful as to whether this proposed restriction by itself will confer any benefit on those who will be affected by it. Perhaps more light will be thrown on the point when the Bill comes to be considered by the Select Committee, and till then I will continue to have, as I have already said, an open mind

on the subject. On one point, however, in this connection I think it necessary to say a word. The Bill does not state what restrictions are proposed to be imposed on free transfers. The whole thing is left to the discretion of the Collector. Now this is not what the Punjab Act does, and I mention the Punjab Act because the honourable member has mentioned it. The Punjab Act provides for three kinds of mortgages and for these the permission of revenue officers is not needed. The Punjab Act also provides for free sales between agriculturists under certain circumstances, and under the Act, therefore, an agriculturist knows what he may do of his own free choice and for what he must obtain the previous sanction of the revenue officer. The Bill before us makes no such detailed provision, but leaves everything to the unfettered discretion of the Collector, which, I think, is very unsatisfactory. As regards the proposal to give short leases, that to my mind appears to be the most objectionable feature of the Bill. I submit that absolutely no case has been made out for this departure from the established policy of granting leases in perpetuity, subject to revision of assessment every thirty years. The Statement of Objects and Reasons says that sometimes, when land requires long intervals of fallow, it entails a loss of revenue on Government, if under the perpetuity tenure such land is not taken up, while, if it is taken up by anyone, it may occasion loss

to him. If this is the only reason for proposing short leases, I think the difficulty may well be got over by the simple expedient of granting leases in perpetuity and remitting the assessment as a matter of course in years of fallow. Moreover, in the case of forfeited lands, there is no shadow of justification for substituting short leases for the present survey tenure. There is no question of fallow in the case of such lands, and there is no reason why the new occupants should have only short leases granted to them. My Lord, the perpetuity tenure is a matter of the most vital importance both in the interests of the agriculturists and for the sake of the improvement of land, and I submit it should not be lightly disturbed. What interest will the holder of a short lease have in the permanent improvement of his land? Moreover, what is there to prevent the Collector from raising the assessment every time a new lease is granted? It may be said that the Collector will ordinarily use his discretion well, but I for one would not confer such wide discretionary powers on him when lands are forfeited, when neither the ryot nor the sowcar cares to prevent the land from going back to Government. I think it is a fair presumption, that the assessment is excessive in comparison with the productive capacity of the soil, and the remedy for this state of things must be sought, not in the substitution of short leases for the perpetuity tenure, but in the abatement of the State demand. I earnestly trust, therefore, that Gov-

ernment will drop this proposal about giving land on short leases. My Lord, I do not think I need detain the Council longer. I regret the introduction of this measure at this time and place and in its present form. I fear it can do but little good. I also fear it is capable of doing a great deal of harm.

[At a meeting of the Bombay Legislative Council held at Poona on the 23rd August 1901, Lord Northcote presiding, when the Hon. Mr. Monteath had moved the second reading of the Bill to amend the Bombay Land Revenue Code, 1879, the Hon. Mr. P. M. Mehta moved an amendment to the effect that the Bill be referred for opinion to various gentlemen and public bodies and reconsidered by the Select Committee in the light of the opinions received. The Hon. Mr. Gokhale supported the amendment in the following speech.]

Your Excellency,—I rise to support the amendment which has been moved by my honourable friend, Mr. Mehta. My Lord, it is with a deep sense of responsibility that I do so. I have now been for fifteen years in public life,—I mean such public life as we have in this country—and I can sincerely assure Your Excellency that I have never seen the public mind so profoundly agitated as over this Bill. The Honourable Mr. Monteath complained yesterday that the Bill had been widely misunderstood and misrepresented. But has the misapprehension been all on one side? Is it not a fact that Government themselves had to issue a special resolution shortly after the Bill had been in-

introduced to correct the misapprehension of one of their own Collectors? But, my Lord, I go further and I say that the honourable mover of the Bill himself and also the Honourable Mr. Lely have shown by their speeches of yesterday that they are themselves under a great misapprehension as to what the Bill can do and what it cannot. If no misapprehension had existed in their minds, much of what they said yesterday—however true it might be as descriptive of the agrarian situation in the Presidency—would have remained unsaid as irrelevant to the discussion of the present measure. The Honourable Mr. Monteath said that the Bill was intended to bring relief to those who were only nominal occupants of their holdings, *i.e.*, whose lands were in the hands of the sowcar and who were practically his serfs. The Honourable Mr. Lely cited a number of instances of families that have been ruined by the unrestricted right of transfer under the survey tenure and whose lands are now in the hands of the Bania. As I sat yesterday listening to these instances—some of them very pathetic and all of them interesting—while I felt sincere admiration for the patient labour with which my honourable friend had collected his data, I could not help saying to myself—“All this is entirely beside the point.” If the Bill could really bring relief to those who are practically the serfs of their money-lenders, I admit that, whatever there might be to be said against the measure, there would

also be a good deal to be urged in its favour. But, my Lord, it is absolutely impossible that the Bill can do anything of the kind. What is it that is proposed to be done under the Bill? Its principal provision, which has exercised the public mind so much, is that Government may re-grant forfeited lands without the power of free alienation. Government intend to re-grant such lands as far as possible to old occupants. This is not in the Bill itself, but I will assume for my present argument that they will do so. Now let the Council mark what is the true scope and character of this provision. Before a holding can be brought under the new tenure, it must first be forfeited, which means that the assessment in respect of it must be withheld. The Bill will be simply inoperative in the case of those lands the assessment of which is paid. Now under the Land Revenue Code the assessment can be paid not only by the occupant in whose name the holding stands, but by any one interested in the holding, including the mortgagee, *i.e.*, the sowcar, and under the present Bill, Government are bound to give at least 15 days' notice before forfeiture, so that any one who is interested in the holding may pay the assessment. The sowcar, therefore, can pay the assessment when the occupant does not, and when this happens the Bill will be absolutely powerless to help the ryot, however much he may be the serf of his money-lender. Now, my Lord, whatever else the sowcars may be, they cer-

tainly are not simpletons, and it is inconceivable that they will ever allow any land which is mortgaged to them to be forfeited when they can prevent the forfeiture by simply paying the assessment. Even under existing arrangements, the assessment is in most cases paid by or realized from them when the occupant is unable to pay it, though it is true that at present they try to secure, if possible, remissions in the name of the occupant. When the present Bill becomes law they will, no doubt, take good care to pay the assessment in all cases, but that only means that the collection of land revenue will be more stringent than at present,—it will bring no relief whatever to the ryot who is the sowcar's serf. My Lord, "in vain the net is spread in the sight of any bird." A sowcar here and a sowcar there may perhaps be caught napping—where, for instance, he is gone on a pilgrimage, or is a minor and has no one to look after his interest, but such instances will be extremely few. My honourable friend, Mr. Desai, has perhaps seen this point, and that was, I think, why he regretted yesterday the provision contained in this Bill that at least fifteen days' public notice should be given before forfeiture. He would like to give no notice whatever and thereby he hopes to be able to take a larger number of sowcars unawares. Now, my Lord, whatever results Mr. Desai's method in this particular might achieve, that method is not, I submit, consistent with our notions of the dignity of

the British Government or the sense of justice and fair play which we have been accustomed to recognize as forming part of its character. And I am sure the British Government will never come to such a pass unless men like my honourable friend have more to do with its legislation than they have at present. But I will ask Mr. Desai this :—Supposing you are able to catch a few sowcars in this way, do you think that thereby you will be able to free the ryots concerned from their liabilities? When the lands of these ryots are forfeited and are re-granted to them under the new tenure, the sowcars will, no doubt, not be able to get the lands back into their own hands. But the personal liability of the ryots for the old debts remains in full force and, therefore, the moment the harvest is gathered and the crops brought home, the sowcar can seize them and thus he will be able to exploit their labour as much as ever. And that is really all that he does even at present as pointed out by the Honourable Mr. Aston. He does not till the lands himself. All he cares for is to exploit the ryot's labour. In the first place, therefore, no sowcars will allow the lands in their possession to be forfeited, which means that this Bill will be inoperative, and, secondly, even if a few sowcars are caught napping and the lands in their possession are forfeited and re-granted to the old occupants under the new tenure, the personal liability of these ryots for their old debts will remain in full force,

and thus the sowcars will be able to exploit their labour as much as ever. Even if these ryots are taken from their old holdings and put on new lands and Government go so far as to pay them a bounty for cultivating lands which otherwise would remain uncultivated, the crops on these new lands will be liable to be attached, just the same as the crops raised on the old lands. Unless, therefore, the Civil Courts are closed to the sowcars and it is enacted that their contracts, whatever their nature, are all invalid and cannot be enforced, you cannot get a ryot, who has once got into a sowcar's clutches, out of those clutches till the debt is paid off, and the present Bill can bring him absolutely no relief. My Lord, the Honourable Mr. Monteath threw down to me yesterday a challenge with reference to the drafting of a certain section. Now challenges, as Burke says in one place, are rather serious things. But, for once, I will set aside Burke's advice and follow the example of my honourable friend, and I will make him this offer:—If he will satisfy me—and I hope I am not quite unreasonable,—if he will satisfy me that this Bill will bring any the least relief to those ryots whose lands are already in the hands of the sowcars, I will at once abandon all further opposition to this Bill, I will vote for the second reading, and I shall even feel happy when I am pilloried in the columns of the press for my change of opinion. My Lord, I repeat, the Bill can bring no relief to the ryot

who is indebted. And is it for those who are themselves under a misapprehension in so important a particular to complain of the misapprehension of others? But I have something more to say on this question of misapprehension and I will speak freely to-day, and even bluntly—for, on an occasion of such gravity, blunt speech is a duty, however much it might be liable to be misconstrued. I admit, my Lord—I have admitted in private conversation and I make the admission openly in this Council to-day—that there has been a certain amount of excited writing in the columns of the press on the subject of this Bill. But may I ask what steps Government took to prevent or check a misapprehension of their intentions beyond the Resolution of June 18th, which was intended simply to recall the steps taken by one of their own Collectors? I feel bound to say that in this matter everything which should have been done was left undone, and whatever should not have been done has been done. I was once given to understand that the Press Committees, about which so much was said at one time, had been established not so much for keeping a watch on the conduct of newspapers as for the purpose of noting the grievances ventilated in their columns and correcting misapprehensions wherever such correction was necessary. Was this agency of the Press Committees used in the present instance to prevent or remove misapprehensions? Did Collectors

or such other officers arrange anywhere to meet native gentlemen of education and influence and talk the matter over with them with the object of dissipating their fears? Was any attempt made to explain to the ryots the true scope and character of the present Bill? But while none of these things were done, mark what the Government did do. At a time when the agriculturists of the Presidency had just passed through a period of the greatest privation and suffering, when Government had already done so much for them and so much more had been promised which had aroused in them feelings of deep gratitude, when, in fact, the relations between the two races were better than they have ever been for years past and were every day growing more cordial, when Your Excellency had won all hearts by your own profound sympathy—and may I add that of the noble lady who is your partner in life—with the poor in their distress, this bomb was suddenly thrown into our midst; and because people got scared and began to run about wildly—some shouting perhaps more excitedly than was necessary—the honourable member turns sharply on them and says:—“Oh, it was only a harmless explosive, and you had no business to get so frightened.” Then, again, look at the manner in which the Bill is being rushed through the Council. It was first published on 18th May and it came on for first reading on 30th May, almost before anyone had had time to grasp its true

meaning and character. Even the statutory provision, requiring the publication of the Bill fifteen days before its first reading, was not complied with, and though Your Excellency, by suspending the standing orders, legalized what otherwise would have been illegal, that did not increase the time allowed to the members of this Council for studying the measure. The first meeting of the Select Committee was held the very next day after the meeting of the Council, *i.e.*, on 31st May, and the second meeting, which was also the last, was held on the 24th June, *i.e.*, before a single memorial from public bodies or anyone else had reached the Council. The deliberations of the Select Committee were thus closed before the public had had any opportunity to submit a single suggestion or a single criticism to that Committee. Now, my Lord, I do not subscribe to the doctrine that the official classes alone understand what is in our interest and what is not. And, I think, the public are entitled at least to be heard before a Select Committee appointed by the Council makes up its mind as to what it shall recommend. In the present instance, however, all the numerous petitions that have poured in upon the Council have been simply brushed aside. It is true that a few of them were considered by Government in their executive capacity, and a reply, too, was given to one of them. But that is not the same thing as this Council considering them;—the Select Committee

alone can act on behalf of the Council, and so far, therefore, as this Council is concerned, the memorials against the Bill have been merely so much waste paper. These petitions—this huge mass of papers—were laid on the table only the day before yesterday, and it was physically impossible for any member of this Council to go through them before the honourable member rose to move the second reading of the Bill. Can any one seriously maintain that there is not a single suggestion, a single hint, in all these papers which this Council might usefully consider? I submit, my Lord, this extreme precipitation and this indifference to public petitions is as responsible for any misapprehension of the intentions of Government as anything else. My honourable friend, Mr. Chunilal, told us yesterday that agriculturists who were in the beginning favourable to the Bill are now opposing it owing to the misrepresentations of certain people. And he mentioned how he had a talk with two agriculturists who are heavily indebted to sowcars, and who welcomed the measure as beneficial when he explained its true nature to them. Now, I ask my honourable friend, what did he tell the two agriculturists? Did he tell them that the Bill would free them from the power of the sowcar;—that their land would get out of his hands after this Bill was passed? If he said this to them, I say he has misrepresented the Bill—I do not say consciously—he has misrepre-

sented the Bill to them. How can this Bill help any one who is already in the hands of the sowcar? I would request my honourable friend, when he goes back to Broach, to have another talk with those agriculturists, and I would ask him to tell them that, so far as ryots in their condition were concerned, the Bill was not capable of bringing them any relief. I would then like to know if these two agriculturists would still regard the Bill as likely to prove beneficial to them. My Lord, I am amazed that members should talk of misrepresentation and misapprehension who do not yet seem to realize what this Bill will do and what it cannot do. I will try to make it clear to this Council that this Bill cannot confer the least benefit on agriculturists; but that, on the other hand, it will do large numbers of them great harm. But, before I deal with that question, there are one or two other points on which I wish to say a word. I have with regret seen it suggested by some of the official supporters of the measure that the educated classes are not really in touch with and do not understand the true wishes and feelings of the great body of agriculturists in this matter, and that their opinion on this Bill is not entitled to any weight. Such a suggestion, I submit with due deference, is inaccurate as a statement of fact and questionable in point of taste. How would these gentlemen like it, if we turned round and said—what do these Collectors and Assistant Collec-

tors really understand of the true feelings of villagers? When they happen to go to a village, in the course of their official duties, what actually takes place is this: They pitch their tent at some distance from the place, unless there is a travellers' bungalow anywhere near, make a few inquiries of the village or taluka officials that are always in attendance, and visit, perhaps, a few spots in the neighbourhood. Their knowledge of the vernaculars no more qualifies them to enter into a free conversation with the villagers than does the English of Johnson and Macaulay which we study enable us to understand without difficulty the vigorous language of a British or Irish soldier. Meanwhile, it is the interest of the village officials that as few complaints should reach these officers as possible, and that they should go away well pleased, and the termination of the visit of inspection is regarded with feelings of genuine relief. I think such a way of putting the matter has in it just that amount of truth which makes the whole description look plausible. But I feel bound to say it is grossly unfair to a large number of very deserving and very conscientious officers of Government. The truth, my Lord, is that the English officials in this country understand the ryot from one standpoint, and we understand him from another, and between the two our knowledge of him is certainly not the less deep or instinctive or accurate. Then, again, it has been stated that only the sowcars

and their champions are opposing this Bill, and, to our great regret and astonishment, we find the Secretary of State for India declaring in Parliament that it is all a money-lending agitation. Now all I can say is, in this matter, that there cannot be a more complete or a more grievous misapprehension of the true facts of the situation and the circumstance that the Secretary of State should have lent the weight of his authority to this misapprehension shows to my mind how entirely out of touch those who are responsible for advising him are with the real sentiments of the agricultural population. My Lord, the agitation against the Bill is emphatically not a money-lending agitation. Why should it be thought that men like the Honourable Mr. Mehta would ever associate themselves with an agitation started in the interest of money-lenders and against those of the ryots? We are not money-lenders ourselves, and there is no earthly reason why we should champion the interests of the money-lender more than those of the ryot, even if the instinctive sympathy which all human beings feel for the weaker party in any struggle were to be withheld by us from the poor ryot. And speaking for myself, if Your Excellency will pardon the egotism of a slight personal reference, I will say this: that it was my privilege to receive my lessons in Indian Economics and Indian Finance at the feet of the late Mr. Justice Ranade, who, as Your Excellency so truly observed at the Bombay Memorial Meeting, was always

a friend of the poor ryot, and who, it is well known, greatly interested himself in the passing and the subsequent successful administration of the Deccan Agriculturists' Relief Act. It is not, therefore, possible, unless I am prepared to prove false to the teachings of my departed master, that in any agrarian discussion I should range myself against the interest of the ryot or be swayed by a special feeling of partiality for the money-lender. No, my Lord, it is because I believe, and very firmly believe, that this Bill will prove disastrous to the best interest of the agriculturists and not because it is likely to do any harm to the money-lender—which I do not think it really will, as I will show later on—that I deem it to be my duty to resist the passing of this measure to the utmost of my power. If it is true, as I have heard it alleged, that the agriculturists themselves do not dislike this Bill, may I ask how it is that, while the petitions against the Bill have poured in upon the Council in a manner perfectly unprecedented,—and many of them are signed by large numbers of agriculturists—there is not a single petition from any agriculturist in favour of the Bill? If it be said that the agriculturists are too ignorant to formally submit an expression of their views to Government or that they have not yet had time to do so, my answer is that the first contention cannot hold good in view of the numerous petitions purporting to be in favour of the Khoti Bill submitted by khoti tenants in the

Ratnagiri District during the last three or four years; and, as regards the second contention, it only adds strength to the eloquent appeal which my Honourable friend Mr. Mehta has addressed to this Council to postpone this measure for six months. This will give the agriculturists time to petition in favour of the Bill, and then the position of Government will be immensely strengthened, for the ground from under the feet of those who are opposed to the Bill will be cut. My Lord, to my mind it is the most natural thing in the world that the agriculturists of the Presidency should have received this Bill with feelings of consternation and dismay. How could it be otherwise when we consider the nature of the Bill, the time selected for its introduction and the feelings and prepossessions of our agricultural community? I can only regard it as an instance of the malignity of fates that at a time when Government had done so much to save the agriculturists from actual starvation and when they had been encouraged to expect specially liberal treatment in the matter of suspensions and remissions, and when in consequence they were feeling profoundly thankful to Government, this Bill should have come upon the community like a bolt from the blue, undoing, so to say, in a moment the splendid work of months, if not of years, and substituting distrust and alarm, in place of growing attachment and warm gratitude. From a return laid on the table yesterday, we find that in May

last, when the Bill was introduced, the amount of arrears in the Presidency was about $2\frac{1}{3}$ crores, of which Government had already decided to suspend or remit $1\frac{1}{4}$ crores. Seeing that these arrears were practically for two famine years, and seeing how extensive had been the crop failure on both the occasions, I do not think the arrears were at all excessive, especially when we bear in mind that in many places the intended relief had not been definitely announced to the particular individuals concerned and, therefore, many more persons were in a state of expectancy than would have been the case if the requisite announcement had been previously made. The extent to which the Bill has frightened the people may be gauged from the fact that out of these arrears 45 lakhs have been already paid, and probably more would have been realised but for the announcement of Government made in June that no forfeitures would be made before the passing of the Bill, and that, even after the Bill became law reasonable time would be given to the occupants to pay up before forfeitures would be ordered. My Lord, the ordinary Indian peasant is so tenaciously attached to his proprietary rights over his holding, and he finds the full enjoyment of these rights so useful in actual life, that there is nothing he will not do, if it is in his power to ward off what he regards as a direct or indirect attack on those rights. And is it difficult to understand that a proposal to take away from him his power of

alienating, when necessary, his holding should appear to him to be a most serious encroachment on his rights? When the Survey Act of 1865 was passed, it was claimed on behalf of Government that the conferring of the survey tenure on those who have been *upari* tenants previously practically added to the wealth of the agricultural community nearly £35,000,000 sterling. If this was not a mere idle assertion, it follows that, when it is proposed to-day to withdraw from a portion of the land of the Presidency the power of free transfer, it is equivalent to withdrawing a portion of the wealth that was claimed to have been added to it in 1865, and that has since been enjoyed by the survey occupants. The agriculturist feels that his power of transfer enables him to raise a loan in times of difficulty; when the difficulty passes away he, in many instances, tries his best to repay the loan; but the struggle is very hard and he often finds redemption beyond his power. All the same, he values his power of transfer and will not relinquish it if he can. Suppose Government were to declare to-morrow that Government Securities were not transferable and that the holders were entitled only to receive interest from Government. How many of us will like such a restriction? I only mention this illustration to show how, human nature being what it is, no one would like to part with a power which means a command of resources in times of need. Whether such unwillingness on the part of the ryot to part with his

power of free transfer ought to deter Government from a course which they think to be necessary in his interests is another question. My present point is that it is not in the nature of things possible that the agriculturists could like this Bill—except, perhaps, those among them who under a misapprehension may imagine that it will enable them to get rid of their debts to the sowcar. I have so far tried to show to the Council that, whatever value Government may attach to the present measure as likely to ameliorate the condition of the ryots, the opposition to it is a genuine and spontaneous opposition, and is strongest among those for whose benefit the Bill is avowedly intended, namely, the agriculturists themselves. I will now come to the question whether the Bill is really likely to do any good to anybody. My Lord, I am strongly of opinion that, so far as the agriculturists of the Presidency are concerned, it cannot do them the least good and that it will do large numbers of them great injury. Our agriculturists may be divided into four classes—(1) those who are yet free or virtually free from debt; I believe these form a small proportion of the total number; (2) those who have already got into debt, but not to such an extent as to be hopelessly involved and who are making honest efforts to keep their heads above water—these I believe constitute a large class; (3) those who are so heavily indebted as to be hopelessly involved; these also constitute a large

class and they are, I believe, at present practically serfs in the hands of sowcars; (4) and, lastly, those whose lands are so poor and over-assessed that the cost of cultivation and the Government assessment eat up the whole gross produce, if, indeed, it suffices for the purpose, and who, therefore, are unable even now to raise any money on the security of their lands. This class is, like the first, numerically a small one. Let us now consider how the Bill will affect the interests of each one of these four different classes. As regards the first class, it is obvious that those agriculturists do not need Government intervention. They have so far used their credit well, and Government themselves have often declared that they have no desire to interfere with the freedom of action of these men. But if the Bill is passed, this class will be very prejudicially affected by it on one respect. These men are, at present, like other agriculturists, entitled to the relief of suspensions and remissions in times of famine. But it has been stated on behalf of Government that the proposed legislation will enable Government to determine without difficulty who should get the benefit of suspensions and remissions and who should not: a man's readiness to come under the tenure being accepted as a test of his deserving the required relief. And as men of this class will never care to part with their power of free transfer for the sake of a year's assessment, it is clear that their position will become

worse when the Bill is passed, in that they will not practically get the benefit of suspensions and remissions to which they are at present entitled. My Lord, I submit it is very hard that a class which has deserved so well of the Government by reason of the judicious use that it has made so far of its credit should thus be marked for injury. The assessment of Government, as is well known, is based, in the Deccan, at any rate, on an average of seasons, the standard being that in three years one is good, one bad and one indifferent. When, however, there is a succession of bad seasons, as has been the case during the last five or six years, Government are morally bound to remit a portion of the assessment as a matter of course. And it is unfair to make this relief dependent upon the applicant accepting a change in tenure which he does not like. As regards the second class, that is, those who have already got into debt, but who are not yet hopelessly involved, their position, too, will be made much worse by this legislation. A case within my own personal experience will illustrate what I say. Government have appointed me to administer the estate of a minor in Poona. My ward's father, a sardar of the Deccan, who used to lend money to agriculturists on the security of their lands, had advanced about 7 years ago a sum of Rs. 900 at 10 per cent. to one man, whose holding will fetch, if sold in the market about Rs. 2,000 in ordinary times. This holding has to pay

an assessment of Rs. 108, and deducting that, it brings to the holder a net income of about Rs. 150, out of which, however, he has to pay us Rs. 90 a year as interest. Now for the last five years the seasons have been continuously unfavourable, and this man has not been able to pay us anything on account of interest. He managed to pay the Government assessment, somehow or other, till two or three years ago, and since then he has been in arrears. Now till June last this man was under the impression that his arrears would be remitted, when all of a sudden he received a notice that, unless he paid up, his holding would be forfeited. The man at once came to me in great fright and asked me to advance the amount required to pay the arrears. I asked him how I could advance any more money to him when he had not paid us the interest for the last five years. The man, however, begged hard. He said he would give me a new bond for the original Rs. 900 *plus* Rs. 500—the amount of interest unpaid—*plus* the two hundred and odd rupees required for paying up Government arrears, or altogether for a sum of nearly Rs. 1,700. As this sum was to bear the same interest as the original amount *i.e.*, 10 per cent., the man's proposal practically meant his utter ruin, as he would, after the new transaction, have to pay Rs. 170 a year as interest with an income of only about Rs. 150. Fortunately, the last Government Resolution on this subject has come to his rescue,

and for the present at any rate, I believe, he will have no more trouble. Now this is a typical and not an isolated case, and it will illustrate how agriculturists of the second class mentioned above will be harmed by this Bill. These men will not accept the new tenure, if they can help it, and will go on adding to their debts in bad times in order to pay the Government assessment, and even if in a few stray cases they are inclined to take advantage of the new tenure, the sowcars who have already advanced to them money will not, as I have already showed, allow the land to be forfeited, but will pay the assessment themselves and thus add to the liabilities of the occupants. The third class is of those who are hopelessly involved and whose lands are at present in the hands of the sowcars. I have already shown that this class will not be touched by this Bill at all, though some members are under a misapprehension that it will bring them relief, and I do not think I need say anything more about these men now. Finally, as regards that class of agriculturists who cannot raise any money on the security of their lands, even at present, by reason of the poor character of the soil and the heaviness of Government assessment, why, my Lord, these lands are practically inalienable even now, since no money can be raised on their security, and so I do not see how the position of these men will be improved by the passing of this Bill. Thus, then, of the four classes

into which the agriculturists of the Presidency may be divided, and, it will be admitted, my division is exhaustive—the first two classes, *i.e.*, just those who are entitled to the fullest sympathy and protection of Government, will be very prejudicially affected by the Bill. The third class, which requires the special assistance of Government, if it is to be helped out of its present hopeless condition, and if the question of agricultural indebtedness is to be really faced, will not virtually be touched by this Bill at all; while the position of the last class will remain just what it is at present—only they will feel that their status in life has been lowered. The Bill thus will do absolutely no good, and must, on the other hand, do a great deal of harm to the agricultural community. Then, again, the apprehensions of sowcars have now been aroused, and if the Bill is passed into law, a considerable number of them will arm themselves with decrees and compel the sale of the occupancies at present mortgaged to them, which they will try to buy themselves. And thus the expropriation of the peasantry, so far from being prevented, will, in fact, actually be hastened by this Bill. As regards the sowcars themselves, I think it is quite clear that the proposed measure cannot really injure their interests except, perhaps, in so far that where the new tenure comes to be substituted—which, I believe, will now be on an exceedingly small area—they will not be able to engage in loan transactions.

to the same extent as elsewhere. But this really is no loss as in course of time an adjustment is bound to take place, and these men will find other openings for investment. The only party whose position is improved by the Bill are the Government themselves. I do not mean to say that the framers of the Bill have this object in view. But that cannot alter the fact that this will be the result of the proposed legislation. In the first place, as my honourable friend, Mr. Mehta, has already pointed out, the Bill constitutes an emphatic assertion of the theory of State landlordism, and this is bound to have far-reaching consequences. The Bill means a nationalization of forfeited lands, which alters completely the character of the land tenure in the Presidency. The Honourable Mr. Monteath expressed his surprise yesterday that I should call the Government scheme a measure for the nationalization of forfeited lands. I do not know in what sense the honourable member understands the word nationalization, but if he takes it in the sense in which political economists use the term, I do say, and I say it emphatically, that the Bill constitutes a scheme for the nationalization of forfeited lands. The honourable member will remember that the Relief Act Commission of 1891 discussed in their report the question whether Government might not buy lands themselves instead of letting the sowcars secure them and then re-grant them to agriculturists.

as tenants of State without, of course, the power of alienation. They pronounced the proposal a good one if it could be carried out ; but they considered the cost would be prohibitive and that there were other difficulties also in the way. What they thus considered was unattainable by reason of its excessive cost, Government now propose to achieve by foregoing merely a year's assessment when the average price of land according to the Honourable Mr. Montearth's own testimony is twenty-five times the assessment. And what is this, my Lord, but nationalization of land for a most trifling amount ? Then, my Lord, the wide discretionary powers, which Government propose to take under the Bill, will enable them whenever they like—though this is not desired at present—to grant short leases or take land for public purposes without any compensation, or allot it to whomsoever they please. This, my Lord, is a real danger, because the tendency of revenue officers generally is to put the widest possible interpretation on the powers of Government for the purpose of enhancing the Government revenue in every possible way. Take, for instance, the question of building fines and assessments ; who would have thought before 1865, when there were neither building fines nor special assessments for building sites, that in a few years Government would advance their claims from point to point in such a manner as to end by claiming for themselves the entire non-agricultural market value of unalienated land ?

It has been stated that Government intend the Bill to be in the nature of an experiment. But, I think, there are grave objections to Government embarking upon an experiment which, it is quite clear, is bound to fail and which will bring needless discredit on the policy of restricting the power of alienation, which, under certain circumstances may prove useful. If Government really want to make an experiment which has reasonable chances of success, let them select at first a small area, take over in that area the debts of the ryots from the sowcars to themselves by effecting a settlement of some sort, start agricultural banks to provide for the ordinary needs of the agriculturists who are thus taken out of the hands of the sowcars, and then declare their lands inalienable without their sanction. This would be facing the question in the only manner in which it ought to be faced, and many of our countrymen will support Government in such a policy. Government will then be incurring some risk, and will, therefore, so to say, earn a right to make an experiment in this matter. What the ryot needs is money, or, what is nearly the same thing, cheap money. And if you do not reduce what he pays at present to the sowcar or do not advance anything from the coffers of Government for helping him, how can you give any relief to the ryot? It is, I submit, not possible to improve the position of the agriculturist by a mere manipulation of the legislative machine.

My Lord, I have said what I had to say about the Bill. I will now say a few words in reply to certain remarks which have fallen from the Honourable Mr. Monteath and the Honourable Mr. Lely in the course of this debate. The Honourable Mr. Monteath, if he will pardon my saying so, spoke with somewhat unnecessary warmth about certain observations contained in my minute of dissent. The honourable member told us that I was not correct in saying that "in no other province of British India has the executive such wide discretionary powers about waste, forfeited or relinquished lands, as the Bombay Government are seeking to acquire by means of this Bill," and he went on to say that in every other province the executive already possessed such powers and that Bombay alone was behind them in this respect. Now, my Lord, I do not know where the honourable member has obtained his law from. The statement in the minute of dissent was not made without a careful inquiry, and I claim that I am right in the view I have taken, and the honourable member is quite mistaken. I repeat that in no other province has the executive got the power of transferring land from one kind of tenure to another in the exercise of its own discretion. Waste lands to which the survey settlement has been extended, as also forfeited and relinquished lands are, at present, in this Presidency under the survey tenure, *i.e.*, they can be granted to occupants only in perpetuity and with the

full power of alienation. Under this Bill Government seek to obtain the power to change the tenure of these lands whenever and wherever they please. If the honourable member will be so good as to show me his authority for his statement, I shall be glad to modify my view of the matter. Then again, my Lord, I was amazed yesterday to hear what he said about the present law as to the disposal of forfeited lands. The minute of dissent states that at present forfeited lands are sold to the highest bidder, except in certain exceptional cases, such as a combination not to buy the land at a fair price. And when these sales take place the proceeds, after deducting the arrears of land revenue and the expenses of sale, are credited to the defaulting occupant. It is only in those exceptional cases where sales cannot take place for certain specified reasons, that the Collector has power to dispose of the land in any other way,—of course, without changing the character of the tenure under which it is held. The honourable member said yesterday that, whatever might be the present practice, this was not the present law on the subject. Now, my Lord, it is almost presumptuous on my part to pit myself in this matter against the honourable member, who is well known for his great abilities, who has been a Revenue Officer all his life, and who presides at present over the Revenue Department of the Presidency. Still, my authority for my statement is unimpeachable. Here I hold in my hand

the Land Revenue Code of the Presidency, and I make bold to say that a reference to the provisions contained in it, on the subject of the disposal of forfeited lands and especially to Rule 60, will show that my view of the matter is absolutely correct.

My honourable friend also challenged me yesterday to draft a section,—and he offered to give me a certain amount of time to do it in—so as to limit the discretionary powers of Government, as we desire to limit them, and yet to provide for all those cases for which, he says, provision is necessary. Now, in the first place I think this is not a fair challenge to throw down to me. Are the drafting resources at the disposal of Government so inadequate to the work of framing a small section such as would meet all requirements? Cannot the Advocate-General who occupies so high a position in the Bombay Bar or the Legal Remembrancer, who is already recognized to be one of the ablest Civilian Judges in the Presidency, help the honourable member in this little matter, that he should ask me, who am no lawyer and have only my own plain common sense to guide me, to do this work? However, my Lord, as the honourable member has thrown down the challenge, I make bold to accept it and I venture to assure him that, with the assistance of my lawyer friends, I will produce such a section as he suggests if he will give me the necessary time that he has already promised. Surely it cannot be difficult to

frame a section which provides that, when land is given for a temporary non-agricultural purpose or is given to wild tribes for agricultural purposes, the perpetuity tenure should not apply. Now that I have accepted his challenge, I hope the honourable member will not proceed further with the Bill to-day. The Honourable Mr. Lely, in the course of his remarks, regretted that men of education and of undoubted patriotism should confine themselves to the work of mere criticism and should oppose so small a measure framed in the interests of their poorer brethren. He seemed to think that our energies would be much better employed if we gave up this negative work of mere criticism and came forward to initiate measures of reform. Now, my Lord, in the first place it should be remembered that in all countries with strong centralized Governments the work of initiating important measures naturally devolves upon the Government. Moreover, what opportunities have we for initiating important measures? Put men like the late Mr. Ranade or my honourable friend Mr. Mehta on your executive Councils. Place them in a situation of real power and responsibility, and then we undertake to show that we can initiate measures as well as anyone else. It is because you have power to carry out your ideas and we have not, that we appear to you to be engaged in impractical or academic discussions while you claim for your efforts the character of practical or constructive work.

We are not, to use the words which Lord Curzon once applied to the Liberals in speaking of the Cretan question, "so empty of suggestion and full only of denunciation," as some people imagine. But perhaps it is not the part of wisdom to talk of what cannot be. Let not the Council misunderstand me. I say this in no spirit of discontent, but merely to repel a charge which we think we do not deserve. I freely recognize—what the late Mr. Ranade so often used to impress upon our minds—that though there may be less field for personal ambition and less scope for the display of individual talent under the present regime, there is ample compensation and more than that in the blessings of peace and of order well established, in the larger possibilities of enlightenment and progress secured to the mass of our countrymen, in the higher ideals of civic and national life to which we have been introduced and in the rousing of the moral energies of our people.

And now I come to the concluding portion of my speech. I earnestly implore the Council to accept the amendment of my honourable friend, if not in the form in which it is proposed, in some other form which may be more acceptable. And I base my request on two grounds. In the first place this voluminous mass of petitions has not been so much as looked at by any one on behalf of the Council. I have already pointed out that the Select Committee's deliberations had come

to a close before a single one of these petitions had reached the Council. Of what use, my Lord, is it for the people to petition, if those to whom the petitions are addressed will not even care to look at them? It was not thus that the Honourable Sir Charles Ollivant dealt with the numerous petitions against the District Municipal Bill. It is not my object, my Lord, to praise one member of the Government at the expense of another—that would be an unworthy artifice—but I mention this because it illustrates my idea of how a measure should be considered by Select Committee. Sir Charles Ollivant used to go himself through the petitions, as far as possible, and, if he had no time, he asked us to go through them and bring the principal points to his notice. He was always ready to enter into our feelings, to accept whatever suggestions appeared in the course of the discussion to be good and always ready to meet us at least half-way. He was not wanting in strength. The iron hand, we felt, was always there; but he, ever, took care to put on the velvet glove. I submit it is not right to strike us with the mailed fist after the manner of a certain high potentate. My second ground for asking for a postponement is that the reason which was mentioned by the Honourable Mr. Monteath at Mahableshtar for rushing the Bill through the Council no longer exists. The honourable member told us at Mahableshtar that it was intended to make the new experiment on a large

scale, and it was necessary to pass the Bill before the beginning of the new Revenue year, *i.e.*, the 1st of August last. Well, the 1st of August is already past; and, as regards the area on which the experiment can now be tried, the resolution recently issued by Government directing that no forfeitures should take place for one year, practically settles that question. You will get only an exceedingly small area—if you get any at all—for trying your experiment on. I submit, therefore, that there is now absolutely no justification for proceeding with this measure so precipitately. My Lord, the late Mr. Ranade, in a lecture which he delivered some years ago at the Deccan College, “On some Aspects of Indian Political Economy,” referred to the curious phenomenon of Anglo-Indian Administrators, who are strong Conservatives in English Politics, developing radical and even socialistic tendencies in dealing with certain aspects of Indian Administration. I asked a high officer of Government for an explanation of this phenomenon a few days ago. He said: It is because we are able to take a more impartial view of things here than in England, having no personal interests to think of. I think, my Lord, this explanation is true as far as it goes, but it does not state the whole truth. I think it is also because too much power has produced a sense of irresponsibility. Does any one imagine that a measure of such far-reaching tendencies

would have been introduced in England and rushed through Parliament with so much precipitation in spite of the unanimous protests of the people? And I submit that the deliberation which becomes in England a duty of Government, owing to the power of the electors, should also be recognized by the British Government in India as a duty under a sense of self-restraint. My Lord, what is the position here to-day? We the elected members of this Council are absolutely unanimous in resisting this Bill, and though our voting power is not large enough under the constitution of this Council to prevent the passing of any measure which Government are determined to carry, we represent, when we are unanimous, a moral force, which it is not wise to ignore. For better for worse, you have introduced the elective element into your Councils, and according to your own English ideas, you must now accept us as speaking not for ourselves individually but in the name of those who have sent us here. And if a standing majority has been secured to Government under the constitution, its real purpose, I take it, is not to enable Government to ride roughshod over our unanimous expressions of opinion, but to prevent the non-official members from combining and overthrowing anything that Government may have done. This, I submit, is the only true interpretation of the present constitution of this Council. My Lord, the Government, with their superiority in votes, can pass this

measure here to-day, but let them remember the words of the poet :—

“ Oh 'tis excellent to have a giant's strength,
But 'tis tyrannous to use it like a giant.”

Nothing can fill us with greater sadness than this spectacle of Government trying to carry a measure in such haste and without proper deliberation—a measure that is bitterly resented by the agriculturists, that has roused the apprehensions of the sowcars and that is condemned by the educated classes with one voice and in no uncertain terms. Is it fair, is it wise that Government should reduce us, the elected members, to a position of such utter impotence, of such utter helplessness that our united appeal should not secure even a brief postponement for a measure of such great importance ? My Lord, I appeal to Your Excellency personally in the matter. Your Excellency has come fresh from a land where political opponents receive greater consideration and better care is taken of the several conflicting interests that must be harmonized in every important legislative measure. Your Excellency is free from what the Honourable Sir Charles Ollivant called the other day “ deteriorating limitations.” I appeal to Your Excellency to pause—pause before it is too late, pause in spite of anything Your Excellency might have said yesterday. During the brief time Your Excellency has been at the head of the Administration in this Presidency, you have taught us to look up to you, not

only with respect—*that* is due to all Governors—but also with confidence and, if I be permitted to say so, with feelings of deep attachment. The people of the Presidency look up to Your Excellency, even at this last moment, to come to their assistance, and I fervently hope and trust that they will not look in vain.

[When the amendment was declared lost, the Hon. Mr. Mehta, the Hon. Mr. Khare, the Hon. Mr. Parekh, and the Hon. Sir. Bhalchandra Krishna withdrew from the Council Hall. Before following them, the Hon. Mr. Gokhale spoke as follows.]

Your Excellency,—May I offer a word of personal explanation? In the remarks which I made this afternoon I did not like to say anything as to the course I should take if the amendment were lost. I think it my duty, my Lord, now to say that I must follow the course which has been taken by some of my honourable colleagues. I take this course with the greatest reluctance and regret. I mean no disrespect to Your Excellency or your colleagues personally. It is only an overwhelming sense of duty which urges me to take this step because I am not prepared to accept even the remote responsibility of associating myself with this measure which my further presence here would imply.

THE BOMBAY ABKARI ACT, 1878.

[At a meeting of the Bombay Legislative Council held on Tuesday the 12th March 1901, His Excellency Lord Northcote presiding, the Hon. Mr. J. Monteath moved the second reading of the Bill to amend the Bombay Abkari Act, 1878, called the Hemp Drugs Bill. In opposing the motion, the Hon. Mr. G. K. Gokhale made the following speech.]

Your Excellency,—I beg leave, at the outset of my remarks, to acknowledge the consideration which was shown to me on the last occasion in not proceeding with the second reading of this Bill on that day. My Lord, it was with considerable reluctance and regret that I then stood in the way of what appeared to be the convenience of this Council; but as this Bill principally affects the two districts of Satara and Ahmednagar, and as these districts happen to be in the division which I have the honour to represent in this Council, I thought it my duty not to be an assenting party to this legislation, without, at any rate, satisfying myself about the true nature and scope, and the probable effects, of the changes proposed. During the interval that has elapsed since that day, I have made such inquiries as I could in the two districts, and I have also been able to go through a large amount of official literature on the subject; and as a result of these inquiries and of what I have read, I may state at once that I find myself un-

able to support the second reading of this Bill. My Lord, before explaining the reasons which lead me to oppose this measure, I will, with Your Excellency's permission, briefly state to the Council how matters stand at present under the existing law and in what respects they are sought to be altered by the Bill before us. At present there are no legal restrictions on the cultivation of hemp. A cultivator may grow it where he pleases and as much of it as he pleases. But he is bound to sell his hemp to no one but a license-holder. The manufacture of drugs is prohibited save under license; the sale of drugs is prohibited save under license. There is no quantitative duty on the drugs consumed, but the right to sell the drugs within a certain area, generally a whole district, is farmed to the highest bidder. Now the changes contemplated in the Bill before us are these: Government takes to itself the power of prohibiting the cultivation of hemp absolutely, or of permitting it only under license. Bonded warehouses are to be established or licensed, where wholesale dealers will be required to store the drugs manufactured, and to pay a quantitative duty as they supply the drugs to retail dealers, paying in addition rent for the use of the warehouse. The duty will be a quantitative one; and Government thereby expect to be able to raise a larger revenue than at present. There are other minor alterations proposed in the existing law, but I do not wish to trouble the Council with a reference to them.

Now, my Lord, I object to this Bill on five grounds :—(1) The proposed legislation is wholly unnecessary ; (2) even if Government wanted to legislate in the matter, absolutely no case has been made out for prohibiting or otherwise subjecting to restriction the cultivation of hemp ; (3) the proposal to levy a quantitative duty on the drugs is open to the objection that it gives Government a direct interest in the increased consumption of the drugs ; (4) the proposal to raise the price of these drugs, by subjecting them to enhanced taxation, has been condemned by a large number of competent authorities, and (5) the Bill does not propose to give effect to a definite recommendation made by the Hemp Drugs Commission—a recommendation expressly accepted by the Government of India—that the law should provide for some sort of local option in determining the localities in which the retail sale of these drugs may be permitted. My Lord, in regard to my first objection, I would point out that nine-tenths of the officers of the Bombay Government, who gave evidence before the Hemp Drugs Commission, declared that the existing arrangements were working satisfactorily, and that there was no need for any further interference on the part of the Legislature in the matter. There were eighteen superior officers among the witnesses—two Commissioners, one Chief Secretary, eleven Collectors and four Assistant Collectors. Twenty Deputy Collectors and seven Māmlatdārs also gave

evidence on the subject of administration and control. On analysing the evidence of these forty-five officers, we find that out of the eighteen superior officers, there was only one, and that was the honourable member in charge of the Bill himself, who advocated any important modification of existing arrangements. He urged the establishment of bonded warehouses and the levy of a quantitative duty, but he did this, not in the fancied interests of temperance, but with the avowed object of raising a large revenue for Government. Seven superior officers expressed no opinion whatever on the necessity or otherwise of further legislation, while ten others—and I will read to the Council the names of these ten—deprecated further legislation in the matter. These ten officers were—Messrs. Reid, Vidal, Ebdon, Sinclair, Charles, Lely, Campbell, Woodward, Lamb and Dodgson. Of the twenty Deputy Collectors, only three were in favour of modifying these arrangements and of the seven Mámlatdárs, only one was of a similar opinion. It will thus be seen that, so far as the Bombay official witnesses are concerned,—and they certainly could speak with authority on this subject, if any one could—the overwhelming weight of evidence was against further legislation, such as is embodied in this Bill. Next, my Lord, I would point out to the Council that the area under hemp in the Presidency is an exceedingly small fraction of the total area under cultivation—only about one thousand acres

out of a total cultivated area of three and three-fourths crores of acres, and even this insignificant area is, if anything, steadily diminishing, owing to natural causes, even in the absence of such legislation as we are engaged in considering at this meeting. Taking, for instance, the figures of cultivation from 1885 to 1899 for the Presidency proper, we find that the average area under hemp from 1885 to 1888 was 1,192 acres; from 1889 to 1892 it was 1,112 acres; from 1893 to 1895 it was 1,097 acres; and during the last three years of this period, *i.e.*, from 1896 to 1898-99, the average was only 908 acres. I think these figures constitute a silent but emphatic protest against the present Bill, which might have had a semblance of justification if it could by any means have been shown that the cultivation of hemp and the consequent consumption of the drugs were on the increase.

My Lord, my next objection to this Bill is that, even if Government wanted to legislate in this matter with the object of establishing bonded warehouses and levying a quantitative duty, I submit that absolutely no case has been made out for seeking to regulate the cultivation of hemp by licenses. Even the few Bombay official witnesses who favoured fresh legislation on the subject of hemp drugs, were careful to state that they did not desire to impose any restrictions on the freedom of cultivators in growing hemp. They considered that the restrictions on the sale of

hemp and the fact that the manufacture of drugs could not, owing to the very nature of the process, be carried on surreptitiously, made it unnecessary to control the cultivation in any way. The honourable member in charge of the Bill himself expressly stated that he did not consider it necessary to restrict the cultivation of hemp, and I believe, my Lord, that with such a great authority on my side it is not necessary for me to labour this point any further. I will, however, venture to mention to the Council a few considerations which occur to me against the proposal to empower Government to restrict cultivation as they please. I think, in the first place, that anything which tends to multiply the points of contact between the cultivators and the lower subordinates of the Revenue, Abkari and other departments deserve to be seriously deprecated. If the cultivation of hemp comes to be prohibited, except under license, innocent cultivators may be exposed, as urged by several witnesses, to the risk of having false charges brought against them by over-zealous or blackmailing subordinates of these departments in connection with the spontaneous growth of wild hemp plants. Then, again, though Government do not propose to charge a fee for licenses granted to cultivators, these latter may experience some difficulty in getting them actually, and may even have to incur expenditure, which will not bear scrutiny, before getting them. This point was very well brought out by

the *Times of India* in an article on this Bill in December 1898. This is what that journal wrote on that occasion :—"If it is a desirable object of legislation to multiply the points of contact between the administration and the people, this is a most admirable Bill ; but not otherwise. Unless a substantial benefit is to be gained, the less the Collector and his subordinates are called on to intervene between the cultivator and the free pursuit of his calling, the better. Every additional license, every additional compulsory resort to authority for permission to do this thing or that adds to the cultivator's worries—adds to the opportunities that the revenue subordinate enjoys for worrying him and getting money out of him. A license looks a harmless thing—as it would be if it were a sheet of paper and nothing more. But in India there is often more in it than is written on the face of it and it costs more than is supposed to be paid for it." The question of assessment also comes in, in this connection, though in a somewhat remote manner. I think that men who are paying a certain assessment to Government and are raising a certain kind of crop on their land, have a right to expect that their freedom to raise that crop shall not in any way be fettered by Government. Sir James Campbell, in his evidence before the Commission, observed :—"I think the producers in Ahmednagar and Satara would resent very much any restriction of cultivation. I think that

the prohibition of cultivation in those districts where it is trifling; so as to confine it to the two districts above named, may cause some little dissatisfaction, but would be feasible." Lastly, in this connection, there is the question of growing hemp for the purposes of fibre. Dr. Watt, in his Dictionary of Economic Products, states—and the statement has been quoted by the Hemp Drugs Commission in its report—that the Indian plant from which the drugs are manufactured is but an Asiatic variety of the species from which fibre is produced in Europe; and he also contemplates the possibility of cultivating hemp "as a cold season fibre-crop on the plains of India," and he is of opinion that "there may be some localities in India where this might be found possible and even remunerative." I think, in view of this expression of opinion from such an authoritative quarter, the Government, instead of prohibiting cultivation, except under license, ought to encourage experiments in hemp cultivation with the object of ascertaining if the fibre-producing plant can be grown anywhere in the Presidency on a large and remunerative scale.

My next objection, my Lord, to this Bill is on the score of the quantitative duty which it proposes to levy on the drugs consumed. As I have already observed, such a duty gives Government a direct interest in the increased consumption of the drugs. It is true that Government in the abstract is incapable of

pushing forward the consumption of deleterious articles for the sake of a few thousands of additional rupees, but Government in the concrete, which sometimes means the subordinates of the Revenue, Abkari, and other departments, may not be wholly above such a temptation. Under existing arrangements, when the right to sell drugs within a certain area is once farmed to an individual, Government has no interest in the quantity of the drugs sold, and it may, therefore, well be trusted to look effectively after the interests of temperance. With a quantitative duty, however, the situation is altered, and I would not give the Abkari Department of Government any such interest in increased consumption, if I could help it.

My fourth objection to the Bill is that it seeks to raise a larger revenue for Government by enhancing the taxation of the drugs, thereby raising the price of the drugs to the consumers. My Lord, I was at one time a believer in the theory propounded in ordinary text-books of Political Economy, that the proper way to deal with intoxicants is to levy a high duty, and thereby seek to restrict consumption. I at one time shared with others the delusion that if the price of the intoxicants was raised beyond the capacity of poor consumers, large numbers of these people would be ultimately weaned from a most injurious habit. But whatever faith I once had in such a policy, I confess I have that faith no longer, and I have come to the

clear, though painful, conclusion that if you only raise the price of the intoxicants, while you do nothing to reduce the facilities for obtaining them, you do not succeed in reducing consumption, only you take more out of the pockets of the consumers, and thus in many cases add the misery of starvation to the misery of vice. And I believe that the proper way of dealing with these intoxicants, if the object be to rescue the victims of the vice from its clutches, is not to make them dearer, but to make them scarcer. Take, for instance, the case of Thana. In 1890-91 the consumption of country spirit per head of population in that district was 21·2 drams. This consumption, in spite of the high duty levied, has steadily risen to 25·3 drams for the year 1898-99, an increase of 19 per cent. in eight years, which is a serious increase, even after allowance is made for the normal increase of population. The amount of still-head duty during the same period has risen from a little over seven and a quarter lakhs to a little over ten lakhs—an increase of about 37 per cent.,—which means that the operations of the Abkari Department in that district have not only not reduced consumption, but that the department now takes out of the pockets of the victims of the vice 37 per cent. more money than it used to do eight years before, and this in spite of the harder times which the poor people admittedly have had now for several years. My Lord, I for one would gladly

support a policy of total prohibition in these matters, as that, I think, is the most effective way of dealing with the problem, in spite of the fancied interests of what are called moderate consumers. Failing that, I respectfully urge that the next best policy is not to make the intoxicants dearer, but to make them scarcer. A friend of mine, whom I consulted as to how this Bill would affect the interests of the cultivators of hemp in the Nevasa Taluka of Ahmednagar District, has expressed himself in these terms: "How can Government, which has recently planted for the first time in the history of Nevasa a liquor shop in the heart of the little town, propose to restrict the liberty of the cultivators to grow hemp in the interests of temperance?" Any one who knows anything of the fearful hold which these intoxicants come to acquire over their victims, will see that these helpless creatures will make any sacrifice to satisfy their craving, and that increased taxation under such circumstances, without a reduction of the facilities for obtaining the intoxicants, only means, as I have already observed, the misery of less food added to the curse of drunkenness. Some of the official witnesses before the Hemp Drugs Commission have taken the same view of the matter. Thus the Honourable Mr. Lely has, with his usual directness, opposed increased taxation in the following words:—"I think increased taxation of ganja would be highly impolitic. I can

hardly see how, apart from political reasons, it could be beneficial. The consumer would be prepared to spend a pice or two more upon it. It is cheaper to get intoxicated on ganja than on liquor. I do not recommend the increasing the cost of the former, because the people who use it are poorer than those who drink liquor." In another place he says of the habitual consumers: "They take ganja because it enables them to bear abstinence from food and water, and even clothes in the coldest weather. It is said to enable them to resist the most malarious climate and the worst water." Many other witnesses have described the present taxation of these drugs as reasonable. Even Mr. T. D. Mackenzie observes: "If the price of the hemp drugs be much raised, the ascetics would probably stint themselves of food in order to get the drugs and so do themselves much injury." I am aware, my Lord, that the Hemp Drugs Commission has recommended enhanced taxation of these drugs in this Presidency on the ground that at present it is much lower here than in Bengal and other Provinces. But I respectfully submit that this is not a fair way of looking at the question. The total incidence of Abkari taxation is the heaviest in this Presidency as compared with other Provinces, as may be seen from the following figures:—In Bombay Abkari taxation is 9 annas 3 pies per head of population, as against 6 annas 6 pies in Madras, 2 annas 8 pies in Bengal, 1

anna 9 pies in the North-West Provinces, 1 anna 9 pies in the Punjab, and 2 annas 7 pies in the Central Provinces. I think, my Lord, that so long as it is not proposed to reduce this higher incidence of Abkari taxation in this Presidency, because it is lower elsewhere, for so long it would not be fair on the part of Government to increase the tax on these drugs, which happen, comparatively speaking, to be somewhat lightly taxed with us, on the sole ground that they are taxed at a higher rate elsewhere.

My Lord, I now come to my last objection to this Bill, and that is that it fails to provide for some form of local option, as recommended by the Hemp Drugs Commission and as directed by the Government of India in their orders on the report of that Commission. The recommendation of that Commission is couched in the following terms:—That when new shops are proposed, municipal bodies, rural notables, zamindars or headmen, as the case may be, should be consulted as to the necessity of opening them, and as to their location, and that objections, if made, should receive the most careful attention. The Government of India have accepted the recommendation in the following words:—"In municipal towns the Governor-General in Council considers that no shop for the sale of hemp should be opened without consulting the Municipal Committee, and in rural centres notice of the intention to open a shop should be given and any objection to

the establishment of a shop which may be brought forward should be considered, no shop being opened unless there is a real demand for the drug." The Bengal Act contains a provision for assigning to any Municipality, with its consent, the functions of the Local Government relating to the grant of licenses, and after such assignment no conditions or rules may be imposed by the Local Government without the consent of the Municipality. Even where such functions are not assigned, the Collectors are required to notify to Municipalities the sites selected for shops within their limits, to consider the objections that may be raised, and if they do not agree with the Municipalities, to refer the matter to the Commissioner of Excise for decision. I think the people of this Presidency are entitled to claim that similar provision should be made for local option in the matter in the law of this Presidency.

My Lord, I have now stated to the Council my chief grounds for opposing this Bill. I fear my observations have detained the Council longer than they should have done; they have certainly exceeded the limits which I had first proposed to myself. The fact, however, that the Select Committee has unanimously approved the Bill as drafted made it necessary for me to explain myself at some length, and that is my excuse for taking up so much of the time of the Council. My Lord, I oppose the second reading of this Bill.

MOFUSSIL MUNICIPALITIES BILL.

[At a meeting of the Bombay Legislative Council held on Tuesday the 12th February 1901, His Excellency Lord Northcote presiding, the Hon. Sir Charles Ollivant moved the second reading of the Bill for the better management of municipal affairs in mofussil towns and cities. The Hon. Mr. G. K. Gokhale then spoke as follows.]

Your Excellency,—The Bill, as originally drafted, contained so many provisions of a distinctly retrograde character and bore on its face such evident impress of a desire on the part of the framers to recede from the position of 1884, that few of us, I confess, had any hopes that it would emerge from the Select Committee in the form which it has now taken. It is true that the Honourable Sir Evan James, who was then in charge of the Bill, introduced the measure in a speech which, for breadth of view and for a generous appreciation of the work and difficulties of municipal bodies, was a notable utterance, and which, if it had stood alone, would have been a source of sincere satisfaction to the people. Unfortunately, the speech was accompanied by a Bill so much at variance with the sentiments expressed by the mover, that the Honourable Mr. Justice Chandavarkar could not help exclaiming on that occasion how he wished that the Bill had been as good as its author. Those, however, were perhaps

peculiar times. At any rate, on going through the proceedings on that occasion, I could not repress a smile of amusement at the boldness of some of the claims advanced. Thus the mover of the Bill, in replying to the debate on the first reading, said that he was not at all dissatisfied with the reception the Bill had met with, in spite of the fact that the measure had evoked a perfect storm of protest both in the Council and outside it. Why, Sir, even my honourable friend Mr. Desai, whose mental eye appeared at that time to range over free fights among Municipal Councillors, their want of capacity and want of principle, was all the while imagining that he was speaking as an ardent advocate of local self-government. All this, however, is now a matter of history, and if I recall the circumstance to Your Excellency's mind on this occasion, it is only to show what great reason the people of this Presidency have to feel grateful to the Honourable Sir Charles Ollivant for the conciliatory manner in which he has led the Select Committee in its deliberations on this Bill and for striving to meet the public wishes at least half way. Every one of us who served on the Select Committee was impressed not only with his great knowledge of municipal affairs,—that, of course, was well-known,—but with the enormous industry which he bestowed upon the Bill, drafting, re-drafting and drafting again, so many of its provisions, and with the anxious solici-

tude which he throughout evinced to enter into the spirit of non-official criticisms and objections and remove, as far as he could, the causes for reasonable apprehensions. Happily, his view of local self-government coincides largely with that held by many thoughtful persons in this country, both Natives and Europeans, as to the scope and purpose of municipal institutions. There are, as many here are no doubt aware, two ways of looking at this question of local self-government. One view is that, while the work of deliberation requires the assistance of many minds, all executive work must be entrusted to a single officer with large statutory powers. The other view is that not only the work of deliberation but also executive work ought to be entrusted to Municipal Councillors, who should do the latter by means of small sub-committees, thereby enabling the chosen representatives of the people to acquire direct experience of executive work and of a proper performance of civic responsibilities. The first view is finding increased favour in the United States and has largely influenced the Municipal legislation of our Presidency towns. The second view is strongly held in England and on the Continent of Europe and it has supplied the lines on which municipal legislation in mofussil towns in India is based. Now, my Lord, I am willing to admit that the first scheme is perhaps better suited to the Presidency towns by reason of the largeness of their areas

and the diversity of their populations, on the score of race, colour and creed, and the magnitude of the interests involved. But there is no justification for extending such legislation to mofussil towns, which greatly appreciate the lines on which their present municipal constitution is based. It seems to me, my Lord, that in this matter of local self-government, Government sometimes manage to do, by almost an irony of fate, just the thing which the people do not care for. Thus in 1888, when the Bombay Municipal Act was revised, Government sought to assimilate the constitution of the Bombay Corporation to that obtaining in the mofussil, when the citizens of Bombay did not require such a change; and it was only after a strong protest on the part of the Bombay Corporation, which was ably voiced by the Honourable Mr. Mehta and the late Mr. Justice Telang, that Government abandoned their proposals. Here, on the other hand, when people in the mofussil are satisfied with their existing constitution, Government proposed to change that constitution into something analogous to that of Bombay. Fortunately, under the direction of the Honourable Sir Charles Ollivant, that attempt has now been abandoned. Having made these few general observations, I will now, with Your Excellency's permission, proceed to say a few words on the Bill before us. I wish to state at the outset that, although the public feel deeply grateful to the honourable member

in charge of the Bill for several important modifications which, under his guidance, the Select Committee has introduced, some of these modifications do not go far enough, and if we have proposed no amendments in regard to them, it is because those of us who represented the other side of the question in the Select Committee, accepted the modifications there in a spirit of compromise on the principle that half a loaf is better than no bread. Moreover, there are even in this revised Bill some provisions which it is impossible for us to approve, and, of course, in regard to them we have given notice of the amendments which we intend to move. My Lord, the Bill before us may be considered under five heads: (1) Constitution; (2) Administrative procedure; (3) Duties and obligations; (4) Municipal powers; (5) Government control. With reference to the first of these divisions, *viz.*, 'Constitution,' I beg leave to observe that, while the revised Bill is a great improvement on the original draft, there are one or two points under this head which are open to serious objection. I refer specially to the proposed provision for conferring the elective franchise on sections of inhabitants. I think, my Lord, when the history of this question of the introduction of the elective franchise into the constitution of Municipalities comes to be considered, it will be admitted that those among us who believe—and believe sincerely—that the right policy in such matters is that of a

steady, though cautious advance, have behaved with great moderation in not moving amendments suggesting an extension of the present franchise. When the Act of 1884 was under consideration and when the Government of that day proposed to fix the minimum of elected members at one-half, it was contended by some of the non-official members that the minimum was low in the case of the more advanced Municipalities at least and that in their case a more extended franchise was essential. Sir James Peile, who was in charge of that Bill, thereupon gave the assurance, and he repeated it again and again in the course of the debate, that, though the Bill prescribed a minimum of one-half, there was nothing to prevent Government from prescribing a higher proportion for individual Municipalities in consideration of their fitness as determined by the level of intelligence and growth of civic spirit among them. Sir James Fergusson, who was then Governor, also stated that it was his hope that, if not during his time, at any rate during the time of his successor, it might be possible for Government to allow a higher proportion of elected to nominated members in the case of the leading Municipalities at least. Nothing, however, was done during the last fifteen years by Government to carry out this undertaking except in the case of Poona, where the proportion of two-thirds to one-third was granted during Lord Reay's time; but this special

privilege has recently been, for all practical purposes, withdrawn. Though, therefore, we might have been justified in proposing that the Legislature should now prescribe a higher minimum in the case of the more advanced Municipalities at least, we have refrained from adopting this course with the object of minimising the points of difference between the official and the non-official members; and yet Government have thought it right to adhere to this retrograde provision for conferring the elective franchise on sections of inhabitants. My Lord, in 1884 Sir James Peile, as representing the Bombay Government, stated in distinct terms that Government wanted to retain in their own hands the power of nominating members up to a maximum of one-half, because it might happen that sections of the community, or certain minorities, might not be able to obtain adequate representation by means of the rate-payers' election, and in that case it would be desirable for Government to have this reserve of power in their hands to supply the deficiency. The representation of sections and minorities was thus provided for in 1884 by reserving to Government the right of nominating up to a maximum of one-half members of Municipal Corporations. In the present Bill, however, Government retain this power of nominating up to a maximum of one-half, and propose in addition that sections and minorities should have seats specially assigned to them out of the minimum of one-half

thrown open to election. I strongly feel, my Lord, it is most undesirable that Government should go back now upon what they distinctly guaranteed in 1884. My Lord, in this matter of the elective franchise our Presidency is already behind the other provinces of India. I have been looking up the Municipal Administration Reports of other provinces, and I find that in Madras there are 19 Municipalities which are allowed to elect three-fourths of their members. In the North-West Provinces all the Municipalities to which the elective franchise is extended are allowed to elect three-fourths of the members. In the Central Provinces it is the same. In Bengal and the Punjab most of the Municipalities consist of two-thirds elected and one-third nominated members. Here alone, in the Bombay Presidency, the proportion of elected members is rigidly kept down at half and even that, so far as the general ratepayers are concerned, the Legislature now proposes to reduce. The Bombay Government have often claimed that we in this Presidency are far ahead of other provinces in matters of Municipal administration. Such a boast, however justified on other grounds, is certainly not justified on the ground of the proportion of elected to nominated members on Municipal Boards. I quite admit that it is possible that some sections or minorities might like to be represented by elected instead of by nominated members. In their case, however, all that the Government have got to do is to set aside

a certain number of seats which are at Government's own disposal, for election by such sections or minorities. Another provision coming under the head of 'Constitution' is in connection with the creation of 'Notified areas.' The original proposal to turn villages or groups of villages into 'Notified areas' has now been abandoned in favour of another adopted by the Select Committee, which restricts the provision on this subject to towns, which are the headquarters of talukas, and to hamlets that spring up in the vicinity of railway stations. In assenting to this new proposal, I am not without apprehension that even in this new form it is capable of being worked in a manner which will cause hardship, and I earnestly trust that Government will be very sparing in the use of the powers which this provision confers upon them and as a result of which people in rural areas will have to bear municipal taxation without corresponding municipal privileges. The analogy of the Punjab has been quoted, but it should not be forgotten that in that province there are at present only 31 'Notified areas' in existence, whereas the Honourable Sir Evan James, in his detailed Statement of Objects and Reasons, has mentioned more than 150 places in this Presidency as fit to be turned into 'Notified areas.' The third point under 'Constitution' about which I desire to say a word, is the position of the Chief Officer, whom City Municipalities will in certain cases have to appoint. I admit that

under the revised provisions the Chief Officer will no longer be master of City Municipalities, as the original Bill practically proposed, and that the powers now conferred upon him by statute are such as may safely be entrusted to an Executive Officer acting under the full control and supervision of a City Municipality. The provisions about his appointment and removal are, however, in my opinion, not quite satisfactory, and if some of us have accepted them in Select Committee, it was done, as I have already observed, only in a spirit of reasonable compromise. Coming next to the question of 'Administrative Procedure' provided, I may state at once that I have nothing but praise to give to this portion of the Bill. I am fully persuaded that the provisions on this subject are a great improvement on the Act of 1884, and I have no doubt that Municipal Corporations will feel grateful to the Legislature for this part of the Bill. Coming now to the question of 'Duties and Obligations' I think it necessary, my Lord, to enter my respectful but emphatic protest against the proposal to impose additional obligations under this Bill on Municipal Corporations. The list of 'Obligatory Duties,' as set forth in Section 54 of this Bill, is already so long and covers such a vast variety of functions, that, if the obligations which that clause imposes upon Municipalities were to be literally construed, it would be impossible for the richest Municipality in the world to discharge those obligations satisfactorily, and yet the

Legislature now proposes to make additions, on very inconclusive grounds, to that fearfully long list. It is now proposed, in addition to the obligatory duties already recognised, to call upon Municipalities to bear the cost of combating plague and famine, and to make contributions to the Provincial exchequer for Provincial roads passing through their limits, and for leper asylums and for lunatic asylums which Government may establish outside the Municipal limits. Now in regard to the first of these additions, *viz.*, about plague and famine, I submit to Your Excellency that the proposal in the original draft was much worse than the proposal now before us. In the original draft it was proposed to include this duty among the obligatory duties of a Municipality without any qualification whatsoever, but in the Select Committee the honourable member in charge of the Bill advanced so far in the direction of meeting popular objections, as to provide that the obligatory duties mentioned in Clause 54 should take precedence of the duties in regard to plague and famine, and that the Municipalities should not provide for the latter until after making reasonable provision for the former. I confess I am not satisfied even with this modification made in the Select Committee, and if I assented to the modified proposal, it was only because I felt convinced that that was the only way to get rid of the original proposal. I believe the Local Govern-

ment are acting in this matter under instructions from the Government of India, and we had to make our choice between the proposal as originally drafted and the proposal now contained in this Bill. With reference to the provisions for levying contributions from Municipalities in connection with provincial roads and leper and lunatic asylums, I respectfully submit, my Lord, that the proposal is inequitable and ought to be abandoned by Government. In the first place the contributions by themselves will be very small, and I ask if it is worth the while of Government to cause needless irritation for such small amounts? Secondly, as I have before observed, the list of obligatory duties is already so long, that any addition to them, however small, ought in my opinion to be deprecated unless Government are prepared to surrender to Municipal bodies corresponding revenues. This was the spirit of the policy enunciated by the Government of India in 1882. But while the list of obligatory duties has grown enormously, I regret to say that there is not a single instance in which Government have transferred to Municipal bodies any of their receipts, and I submit that if new obligations continue to be imposed on the shoulders of Municipalities in this manner, such legislation will come to be regarded by the public not as a scheme of local self-government but as a scheme of local exactions. Next, with regard to the powers conferred on Municipal bodies, I cordially welcome the

proposal to extend these powers in several important directions. I think this extension will make Municipal Administration more efficient and Municipal bodies will be able to deal with various difficulties, which crop up in the work of administration, in a simpler and more effective manner than at present. I am aware that there is some difference of opinion among non-official critics of the present Bill as to the advisability of conferring drastic powers on Municipal bodies to deal with epidemics such as plague. But I beg leave to point out that on this point we had to choose between conferring these powers on Municipalities and leaving these powers under the Epidemic Diseases Act in the hands of Plague Committees, appointed by Government and acting with no sense of responsibility to the public; and I believe that, when this question comes to be looked at from that standpoint, the proposal contained in the Bill to confer these powers on Municipal bodies will meet with general approval. Lastly, coming to the question of 'Government Control,' I confess, my Lord, that my mind is not free from anxiety and apprehension, and that these powers of control might prove a source of unnecessary trouble in the hands of unsympathetic officers. I am free to admit that some such powers must be lodged in the hands of Government to make Municipal bodies feel that, if they do not realise their responsibilities properly, there is a speedy and effective method

provided to call them to account. At the same time, there is the obvious risk of Government officers sometimes not understanding properly the difficulties of Municipalities or not making allowances in a generous spirit for small shortcomings, and in such cases it would be open to them to suggest to Government the enforcement of the bludgeon-clauses to the humiliation of Municipal bodies and to the prejudice of the cause of local self-government; and this, my Lord, brings me to the concluding portion of my remarks. My Lord, what little practical experience of Municipal administration I possess has taught me one thing clearly, and it is that the District Officers have it in their power to make local self-government a greater success than it is at present, by taking steady and continuous interest in Municipal administration and regarding the work and difficulties of Municipal bodies with greater sympathy than so many of them do at present. I regret to say, my Lord, that in some instances District Officers are found to regard the work of Municipalities with indifference till matters assume a serious aspect and then they suddenly come down upon them with the bludgeon-clauses in their hand. In other cases these officers interfere so constantly and in such a tone of authority that they appear more like dictators than like sympathetic guides, such as, in my humble opinion, they ought always to strive to be. I need hardly say that neither the one attitude nor the

other on the part of District Officers is desirable in the interests of local self-government, and I earnestly appeal to them from this place to realise, in a spirit of generosity and even forbearance, the difficulties and shortcomings of our Municipal Corporations, always remembering that, while it is easy to discredit work done by men who are new to their responsibilities, it is not equally easy to stimulate public-spirited citizens to greater exertions when once their ardour is damped by what they might regard as harsh and unsympathetic criticism or judgment. Mr. John Stuart Mill has stated in his book on 'Representative Government' that the object of Municipal institutions is not merely to get local work efficiently done, but also to develop civic spirit and raise the level of general intelligence among the people. I respectfully submit that, in judging the work of Municipal bodies, both these objects, and not only the first, should be steadily kept in view. A higher public life has only just begun in the land, and it behoves those who represent the power that has introduced this life into this country to give whatever guidance might be needed with great tact and in a spirit of sympathy, encouraging those who need encouragement and steadying the footsteps of the weak. It is only by such cordial co-operation between District Officers and Municipal Corporations that the success of local self-government would be ensured, and it is necessary to ensure this success, because in it are

involved the best interests of both the rulers and the ruled.

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[At the same meeting, when the Bill had been read a second time, and was being considered in detail, the Hon'ble Mr. Gokhale moved in clause 11 (c) (ii), lines 19 and 20, to delete the words "or by sections of the inhabitants."]

Your Excellency,—This question of sectional representation has been so fully dealt with by various honourable members in the debate on the second reading that I will not take up the time of the Council by making any lengthy remarks on this subject to-day. My first objection to the inclusion of these words is that they are an attempt to go back clearly on what was expressly guaranteed to the general ratepayers of the mofussil by Sir James Peile, speaking in the name of the Bombay Government. As was pointed out yesterday, Sir James Peile in 1884 stated in distinct and unequivocal terms that a minimum of one-half of the total number of seats was to be filled by means of election by municipal ratepayers without distinction of race, class or creed, and that the other half or any smaller proportion, whichever it might be, would be filled by Government by nomination in order to secure adequate representation of special interests, including those of sections or minorities. My second point is that, if it is thought that these sections or minorities may wish to be represented by elected, instead of by

nominated members, there is nothing to prevent Government from setting aside a few of the seats which are at their free disposal for election by such sections. The honourable member in charge of the Bill stated, in winding up the debate on the second reading, that the half retained by Government in their own hands was required for putting experts in certain matters on Municipal Corporations. From such experience of Mofussil Municipalities as I have, I am in a position to say that even in the largest Municipalities there are no more than two or three nominated members who may, in any way, be called experts in any branch, and that in some Municipalities there are no such persons appointed at all. Therefore there would always be a large margin of reserve in the hands of Government even after making adequate provision for the appointment of experts. My next objection to this provision is that it tends to defeat the most important object of local self-government. We value local self-government not only for the fact that local work thereby is better done, but also for the fact that it teaches men of different castes and creeds, who have long been kept more or less apart, to work together for a common purpose. There are in all conscience causes for differences enough among the different sections in this land, and I submit, my Lord, that the Legislature should not, in the best interests of the country, without the very strongest reasons, give any statutory recogni-

tion to these differences. There is nothing in the nature of local self-government which implies any conflict between the interests of one section and another. If the Council will turn to the list of 'Obligatory duties' and optional duties, it will be seen that, except perhaps on the question of slaughter-houses, there is no chance of a conflict of interest arising between the different communities. And on that particular question, if the Hindu Councillors anywhere neglected to construct slaughter-houses for the benefit of Muhammadans and other inhabitants, Government have it in their power, under the provisions of the 'Control Chapter,' to require recalcitrant Municipalities to perform that duty. Then my Lord, if different sections are to be represented, why talk of the Hindu community as a whole by itself? There are so many castes and sections of this community, and some of them stand so wide apart from one another, that it will be necessary to recognise their differences, and then where are Government going to stop? The honourable member in charge of the Bill just asked what special merit there was in a road or water-course that it should supply a standard to divide a municipal district into wards, and why the inhabitants of a city would be better divided for municipal purposes into wards than into sections. I think the answer to that is somewhat simple. You divide your presidency for administrative purposes into districts, your districts into talukas, your

talukas into towns and villages; for a similar reason a municipal district has got to be divided into wards. If it was possible for all the electors to assemble and vote together and elect all their representatives, I for one would not attach any importance to election by wards. Then there is another reason why it is convenient to divide municipal districts into wards for election purposes. Men residing in the same ward have certain interests in common; those, for instance, connected with roads, lighting and the valuation of properties for the purpose of assessment and conservancy and so forth; and from this standpoint, therefore, election by wards is perfectly intelligible. For these reasons, my Lord, I propose that the words pointed out in my amendment should be omitted from this clause. Before sitting down, I may mention that I have no objection to Government providing for sectional representation by means of election, provided they guarantee to the general rate-payers a minimum of half the seats.



PART II.

CONGRESS SPEECHES.

BENARES CONGRESS PRESIDENTIAL ADDRESS.

[The following is the Presidential address delivered by the Hon. Mr. G. K. Gokhale at the Indian National Congress held at Benares in 1905.]

FELLOW-DELEGATES, LADIES AND GENTLEMEN.

I thank you from the bottom of my heart for the great, the signal honour, which you have conferred upon me by electing me to preside over your deliberations this year. As has been said by more than one of my predecessors, the Presidentship of the Congress is the highest distinction, which it is in the power of our countrymen to bestow upon any one; and proud, indeed, is that moment in an Indian's life when he receives at your hands this most conspicuous mark of your confidence and your favour. As I, however, stand before you to-day, it is not so much the honour of the position, great as that is, as the responsibility which it imposes upon me, that occupies my thoughts. When I was first invited nearly four months ago to accept this office, we were able to see on the horizon only the small cloud—no bigger than a man's hand. Since

then the sky has been overcast and for some time a storm has been raging ; and it is with rocks ahead and angry waves beating around that I am called upon to take charge of the vessel of the Congress. Even the stoutest heart among us may well own to a feeling of anxiety in such a situation. Let us, however, humbly trust that in this holy city of Benares, the Divine guidance, on which we may securely throw ourselves, will not fail us, and that the united wisdom and patriotism of the delegates assembled will enable the Congress to emerge from the present crisis with unimpaired and even enhanced prestige and usefulness.

THE PRINCE AND PRINCESS OF WALES.

Gentlemen, our first duty to-day is to offer our most loyal and dutiful welcome to Their Royal Highnesses the Prince and Princess of Wales on the occasion of this their first visit to India. The Throne in England is above all parties—beyond all controversies. It is the permanent seat of the majesty, the honour and the beneficence of the British Empire. And in offering our homage to its illustrious occupants and their heirs and representatives, we not only perform a loyal duty, but also express the gratitude of our hearts for all that is noble and high-minded in England's connection with India. The late Queen-Empress, again, was known, within the limits of her constitutional position, to exercise during her reign her vast influence in favour of a policy of justice and sympathy towards

the Indian people. We can never forget that the great Proclamation of 1858, on which we take our stand so largely in our constitutional struggle, was not only in spirit but also in substance her own declaration of the principles on which India was to be governed. The present King-Emperor has announced his resolve to walk in the footsteps of his mother, and we have no doubt that the Prince of Wales is animated by the same desire to see a policy of righteousness pursued towards India. We rejoice that His Royal Highness and his noble consort have come out amongst us to acquaint themselves personally with the ancient civilization of this country and its present condition. The Congress earnestly and respectfully wishes Their Royal Highnesses a most successful tour through India, and it humbly trusts that the knowledge they will acquire and the recollections they will carry back with them will constitute a fresh bond of sympathy and attachment between the Royal Family in England and the Princes and people of this country.

THE NEW VICEROY.

The Congress also offers a most cordial and respectful welcome to Their Excellencies Lord and Lady Minto. The new Viceroy assumes the responsibilities of his office at a critical juncture. The temper of the people, so sorely tried during the last three years, calls for the exercise of wise and statesmanlike conciliation on the part of those who are in authority, if further

estrangement between the rulers and the ruled is to be prevented. I earnestly trust that such conciliation will be forthcoming. Meanwhile, a special responsibility rests upon us all to see to it that the immediate task that confronts His Excellency is not made more difficult than it already is. The difficulties of the situation are not of Lord Minto's creating, and he has a right to expect the co-operation of both the officials and the public in his endeavours to terminate a state of tension, which has already produced deplorable results and which cannot be prolonged without serious detriment to the best interests of the country.

LORD CURZON'S ADMINISTRATION.

Gentlemen, how true it is that to everything there is an end ! Thus even the Viceroyalty of Lord Curzon has come to a close ! For seven long years all eyes had constantly to turn to one masterful figure in the land,—now in admiration, now in astonishment, more often in anger and in pain, till at last it has become difficult to realize that a change has really come. For a parallel to such an administration, we must, I think, go back to the times of Aurangzebe in the history of our own country. There we find the same attempt at a rule excessively centralized and intensely personal, the same strenuous purpose, the same overpowering consciousness of duty, the same marvellous capacity for work, the same sense of loneliness, the same persistence in a policy of distrust and repression, resulting in bitter

exasperation all round. I think even the most devoted admirer of Lord Curzon cannot claim that he has strengthened the foundations of British rule in India. In some respects his Lordship will always be recognized as one of the greatest Englishmen that ever came out to this country. His wonderful intellectual gifts, his brilliant powers of expression, his phenomenal energy, his boundless enthusiasm for work,—these will ever be a theme of just and unstinted praise. But the gods are jealous, and amidst such lavish endowments, they withheld from him a sympathetic imagination, without which no man can ever understand an alien people; and it is a sad truth that to the end of his administration Lord Curzon did not really understand the people of India. This was at the root of his many inconsistencies and made him a perpetual puzzle to most men. And thus the man, who professed in all sincerity, before he assumed the reins of office, his great anxiety to show the utmost deference to the feelings and even the prejudices of those over whom he was set to rule, ended by denouncing in unmeasured terms not only the present generation of Indians, but also their remote ancestors and even the ideals of their race which they cherish above everything else; he, who, in the early part of his administration, publicly warned the official classes that “official wisdom is not so transcendent as to be superior to the stimulus and guidance” of public opinion and who declared that in

the present state of India "the opinion of the educated classes is one which it is not statemanship to ignore or to despise," ended by trampling more systematically upon that opinion than any of his predecessors, and claiming for his own judgment and that of his official colleagues a virtual character of infallibility. The fact is that Lord Curzon came to India with certain fixed ideas. To him India was a country where the Englishman was to monopolize for all time all power and talk all the while of duty. The Indian's only business was to be governed, and it was a sacrilege on his part to have any other aspiration. In his scheme of things there was no room for the educated classes of the country; and having failed to amuse them for any length of time by an empty show of taking them into his confidence he proceeded in the end to repress them. Even in his last farewell speech at the Byculla Club in Bombay India exists only as a scene of the Englishman's labours, with the toiling millions of the country—eighty per cent. of the population—in the background. The remaining twenty per cent., for aught they are worth, might as well be gently swept into the sea! Had Lord Curzon been less self-centred, had he had more humility in his nature, he might perhaps have discovered his mistake before it was too late. This would probably have enabled him to avoid giving so much offence and causing so much pain as he unhappily did during the last two years, but I doubt

if the main current of his administration would even then have flowed in another channel. Lord Curzon's highest ideal of statesmanship is efficiency of administration. He does not believe in what Mr. Gladstone used to call the principle of liberty as a factor of human progress. He has no sympathy with popular aspirations, and when he finds them among a subject people, he thinks he is rendering their country a service by trying to put them down. Thus in his Byculla Club speech he actually stated that he had not offered political concessions to the people of India, because he "did not regard it as wisdom or statesmanship in the interests of India itself to do so!" Taking Lord Curzon at his highest, we find him engaged in a Herculean attempt to strengthen the Englishman's monopoly of power in India and stem the tide of popular agitation and discontent by rousing the members of the bureaucracy to a sense of duty similar to his own and raising the standard of administrative efficiency all round. The attempt has failed, as it was bound to fail. Never was discontent in India more acute and widespread than when the late Viceroy laid down the reins of office; and as regards the bureaucratic monopoly of power, I think we are sensibly nearer the time when it will be successfully assailed.

One claim Lord Curzon advanced in his farewell speech at Bombay, which it is necessary to examine a

little. He told his hearers, as he had done once before—on the occasion of the last Budget debate—that even if he had incurred the hostility of educated Indians, the masses would be grateful to him for what he had done for them. This attempt to distinguish between the interests of the educated classes and those of the bulk of their countrymen is a favourite device with those who seek to repress the legitimate aspirations of our people. It is significant that Lord Curzon had never resorted to it till he had finally broken with the educated classes. We know, of course, that the distinction is unreal and ridiculous, and we know also that most of those who use it as a convenient means to disparage the educated classes cannot themselves really believe in it. Lord Curzon mentions the reduction of the salt-duty, the writing off of famine arrears, the increased grants to primary education and to irrigation, the attempt at Police reform as measures on which he bases his claim. The suggestion here is that he adopted these measures for the good of the masses in spite of the opposition—at any rate, the indifference—of the educated classes, when the plain fact is that it was the Congress that had been urging these measures year after year on the attention of Government and that it was only after years of persistent agitation that it was able to move the Government in the desired direction. Four years ago, when, with a surplus of seven crores or nearly

five millions sterling in hand, the Government of India did not remit any taxation, and I ventured to complain of this in Council and to urge an immediate reduction of the salt-duty, I well remember how Lord Curzon sneered at those who "talked glibly" of the burdens of the masses and of the necessity of lowering the salt-tax as a measure of relief! Lord Curzon was fortunate in coming to India when the currency legislation of Lord Lansdowne and Sir David Barbour had succeeded in artificially raising the rupee to its present level, thereby enabling the Government of India to save about four millions sterling a year on its Home remittances. This, with the recovery of the opium revenue, placed huge surpluses at Lord Curzon's disposal throughout his administration, and he never knew a moment of that financial stress and anxiety which his predecessors had to face for a series of years. Considering how large these surpluses have been I do not think the relief given by Lord Curzon to the taxpayers of the country has by any means been liberal. He himself estimated last March the total amount of this relief at 7 millions sterling. He did not mention that during the same time he had taken from the taxpayers 33 millions sterling over and above the requirements of the Government. Again, how paltry is the relief given by the reduction of the salt-duty and the writing off of famine arrears compared with the enormous injury done to the mass of our people by

the artificial raising of the value of the rupee, which led to a heavy immediate depreciation of their small savings in silver, and which makes a grievous addition to their permanent burdens by indirectly enhancing their assessments and increasing their debts to the money-lender as prices adjust themselves to the new rupee ! Much has been made of Lord Curzon's increased grants to primary education. Considering how little the State does in India for the education of the masses it would have been astonishing, if with such surpluses Lord Curzon had not made any addition to the educational expenditure of the country. But if he has given a quarter of a million more to education, he has given five millions a year more to the Army ; and with reckless profusion he has increased the salaries of European officials in many departments and has created several new posts for them. " A spirit of expenditure," to use an expression of Mr. Gladstone's, has been abroad in all directions during his time, and he has never practised the old-fashioned virtue of economy, with which the real interests of the people are bound up. Of course a ruler cannot labour as devotedly as Lord Curzon has done for seven years for increased efficiency without removing or mitigating important administrative evils ; but that is quite different from a claim of championing the special interests of the masses as against their natural leaders and spokesmen, the educated classes of the community.

PARTITION OF BENGAL.

Gentlemen, the question that is uppermost in the minds of us all at this moment is the Partition of Bengal. A cruel wrong has been inflicted on our Bengalee brethren and the whole country has been stirred to its deepest depths with sorrow and resentment, as has never been the case before. The scheme of partition, concocted in the dark and carried out in the face of the fiercest opposition that any Government measure has encountered during the last half a century, will always stand as a complete illustration of the worst features of the present system of bureaucratic rule—its utter contempt for public opinion, its arrogant pretensions to superior wisdom, its reckless disregard of the most cherished feelings of the people, the mockery an appeal to its sense of justice becomes, its cool preference of Service interests to those of the governed. Lord Curzon and his advisers—if he ever had any advisers—could never allege that they had no means of judging of the depth of public feeling in the matter. All that could possibly have been done by way of a respectful representation of the views of the people had been done. As soon as it was known that a partition of some sort was contemplated, meeting after meeting of protest was held, till over five hundred public meetings in all parts of the Province had proclaimed in no uncertain voice that the attempt to dismember a compact and homogeneous province, to which the people were pas-

sionately attached and of which they were justly proud, was deeply resented and would be resisted to the uttermost. Memorials to the same effect poured in upon the Viceroy. The Secretary of State for India was implored to withhold his sanction to the proposed measure. The intervention of the British House of Commons was sought, first, by a monster petition, signed by sixty thousand people, and later by means of a debate on the subject raised in the House by our ever watchful friend,—Mr. Herbert Roberts. All proved unavailing. The Viceroy had made up his mind. The officials under him had expressed approval. What business had the people to have an opinion of their own and to stand in the way? To add insult to injury, Lord Curzon described the opposition to his measure as ‘manufactured’—the opposition in which all classes of Indians, high and low, uneducated and educated, Hindus and Mahommedans, had joined, the opposition than which nothing more intense, nothing more wide-spread, nothing more spontaneous, had been seen in this country in the whole course of our political agitation! Let it be remembered that when the late Viceroy cast this stigma on those who were ranged against his proposals, not a single public pronouncement in favour of those proposals had been made by any section of the community; and that among the foremost opponents of the measure were men like Sir Jotindra Mohan Tagore and Sir Gurudas Bannerji,

Raja Peary Mohan Mukerji and Dr. Rash Behary Ghose, the Maharajas of Mymensing and Kasimbazaar,—men who keep themselves aloof from ordinary political agitation and never say a word calculated in any way to embarrass the authorities, and who came forward to oppose publicly the Partition Project only from an overpowering sense of the necessity of their doing what they could to avert a dreaded calamity. If the opinions of even such men are to be brushed aside with contempt, if all Indians are to be treated as no better than dumb, driven cattle; if men, whom any other country would delight to honour, are to be thus made to realize the utter humiliation and helplessness of their position in their own, then all I can say is “Goodbye to all hope of co-operating in any way with the bureaucracy in the interests of the people!” I can conceive of no graver indictment of British rule than that such a state of things should be possible after a hundred years of that rule!

Gentlemen, I have carefully gone through all the papers which have been published by the Government on this subject of Partition. Three things have struck me forcibly—a determination to dismember Bengal at all costs, an anxiety to promote the interests of Assam at the expense of Bengal, and a desire to suit everything to the interests and convenience of the Civil Service. It is not merely that a number of new prizes have been thrown into the lap of that Service—one Lieutenant-

Governorship, two Memberships of the Board of Revenue, one Commissionership of a Division, several Secretaryships and Under-Secretaryships—but alternative schemes of readjustment have been rejected on the express ground that their adoption would be unpopular with the members of the Service. Thus, even if a reduction of the charge of the Lieutenant-Governor of Bengal had really become inevitable—a contention which the greatest living authority on the subject, Sir Henry Cotton, who was Secretary to the Bengal Government under seven Lieutenant-Governors, does not admit—one would have thought that the most natural course to take was to separate Behar, Orissa and Chota Nagpore from Bengal and form them into a separate province. This would have made the Western Province one of 30 millions in place of the Eastern. But this, says the Government of India, “would take from Bengal all its best districts and would make the Province universally unpopular.” This was of course a fatal objection, for, compared with the displeasure of the Civil Service the trampling under foot of public opinion and the outraging of the deepest feelings of a whole people was a small matter! But one can see that administrative considerations were really only secondary in the determination of this question. The dismemberment of Bengal had become necessary, because, in the view of the Government of India, “it cannot be for the lasting good of any country or any

people that public opinion or what passes for it should be manufactured by a comparatively small number of people at a single centre and should be disseminated thence for universal adoption, all other views being discouraged or suppressed." "From every point of view," the Government further states, "it appears to us desirable to encourage the growth of centres of independent opinion, local aspirations, local ideals and to preserve the growing intelligence and enterprise of Bengal from being cramped and stunted by the process of forcing it prematurely into a mould of rigid and sterile uniformity." You will see that this is only a paraphrase, in Lord Curzon's most approved style, of the complaint of the people of Bengal that their fair Province has been dismembered to destroy their growing solidarity, check their national aspirations and weaken their power of co-operating for national ends, lessen the influence of their educated classes with their countrymen, and reduce the political importance of Calcutta. After this, let no apologist of the late Viceroy pretend that the object of the partition was administrative convenience and not political repression !

Gentlemen, it is difficult to speak in terms of due restraint of Lord Curzon's conduct throughout this affair. Having published his earlier and smaller scheme for public criticism, it was his clear duty to publish similarly the later and larger scheme which he afterwards substituted for it. But in consequence of the opposition

which the first scheme encountered, he abandoned the idea of taking the public any more into his confidence and proceeded to work in the matter in the dark. For more than a year nothing further was heard of his intentions, and while he was silently elaborating the details of his measure, he allowed the impression to prevail that the Government had abandoned the partition project. And in the end, when he had succeeded in securing the Secretary of State's sanction to the scheme, it was from Simla, where he and his official colleagues were beyond the reach of public opinion, that he sprang the final orders of Government upon an unprepared people. Then suddenly came his resignation. And the people permitted themselves for a while to hope that it would bring them at least a brief respite, especially as Mr. Brodrick had promised shortly before to present further papers on the subject to Parliament, which was understood to mean that the scheme would not be brought into operation till Parliament re-assembled at the beginning of next year. Of course, after his resignation, the only proper, the only dignified course for Lord Curzon was to take no step which it was difficult to revoke and the consequences of which would have to be faced not by him, but by his successor; he owed it to Lord Minto to give him an opportunity to examine the question for himself; he owed it to the Royal visitors not to plunge the largest Province of India into violent agitation and grief on the eve of

their visit to it. But Lord Curzon was determined to partition Bengal before he left India, and so he rushed the necessary legislation through the Legislative Council at Simla, which only the official members could attend, and enforced his orders on 16th October last—a day observed as one of universal mourning by all classes of people in Bengal. And now, while he himself has gone from India, what a sea of troubles he has bequeathed to his successor! Fortunately, there are grounds to believe that Lord Minto will deal with the situation with tact, firmness, and sympathy, and it seems he has already pulled up to some extent Lord Curzon's favourite Lieutenant, the first ruler of the new Eastern Province. Mr. Fuller has evidently cast to the winds all prudence, all restraint, all sense of responsibility. Even if a fraction of what the papers have been reporting be true, his extraordinary doings must receive the attention of the new Secretary of State for India and the House of Commons. There is no surer method of goading a docile people into a state of dangerous despair than the kind of hectoring and repression he has been attempting.

But, gentlemen, as has been well said, even in things evil there is a soul of goodness, and the dark times through which Bengal has passed and is passing, have not been without a message of bright hope for the future. The tremendous upheaval of popular feeling which has taken place in Bengal in consequence

of the partition, will constitute a landmark in the history of our national progress. For the first time since British rule began, all sections of the Indian community, without distinction of caste or creed, have been moved, by a common impulse and without the stimulus of external pressure, to act together in offering resistance to a common wrong. A wave of true national consciousness has swept over the Province and, at its touch, old barriers have, for the time at any rate, been thrown down, personal jealousies have vanished, other controversies have been hushed! Bengal's heroic stand against the oppression of a harsh and uncontrolled bureaucracy has astonished and gratified all India, and her sufferings have not been endured in vain, when they have helped to draw closer all parts of the country in sympathy and in aspiration. A great rush and uprising of the waters such as has been recently witnessed in Bengal cannot take place without a little inundation over the banks here and there. These little excesses are inevitable when large masses of men move spontaneously—especially when the movement is from darkness into light, from bondage towards freedom,—and they must not be allowed to disconcert us too much. The most astounding fact of the situation is that the public life of this country has received an accession of strength of great importance, and for this all India owes a deep debt of gratitude to Bengal. Of course the difficulties which con-

front the leaders of Bengal are enormous and perhaps they have only just begun. But I know there is no disposition to shrink from any responsibilities, and I have no doubt that whatever sacrifices are necessary will be cheerfully made. All India is at their back, and they will receive in the work that lies before them the cordial sympathy and assistance of the other Provinces. Any discredit that is allowed to fall on them affects us all. They on their side must not forget that the honour of all India is at present in their keeping.

THE SWADESHI MOVEMENT.

Gentlemen, I will now say a few words on a movement which has spread so rapidly and has been hailed with so much enthusiasm all over the country during the last few months—the *Swadeshi* movement. It is necessary, at the outset, to distinguish it from another movement started in Bengal, which has really given it such immense impetus—the boycott of British goods. We all know that when our Bengalee brethren found that nothing would turn the late Viceroy from his purpose of partitioning Bengal, that all their protests in the Press and on the platform, all their memorials to him, to the Secretary of State and to Parliament were unavailing, that the Government exercised its despotic strength to trample on their most cherished feelings and injure their dearest interests and that no protection against this of any kind was forthcoming from any

quarter, they, in their extremity, resolved to have recourse to this boycott movement. This they did with a twofold object—first as a demonstration of their deep resentment at the treatment they were receiving, and, secondly, to attract the attention of the people in England to their grievances, so that those who were in a position to call the Government of India to account might understand what was taking place in India. It was thus as a political weapon, used for a definite political purpose, that they had recourse to the boycott; and in the circumstances of their position they had every justification for the step they took. And I can tell you from personal experience that their action has proved immensely effective in drawing the attention of English people to the state of things in our country. But a weapon like this must be reserved only for extreme occasions. There are obvious risks involved in its failure and it cannot be used with sufficient effectiveness, unless there is an extraordinary upheaval of popular feeling behind it. It is bound to rouse angry passions on the other side, and no true well-wisher of his country will be responsible for provoking such passions, except under an overpowering sense of necessity. On an extreme occasion, of course, a boycotting demonstration is perfectly legitimate, but that occasion must be one to drive all the classes, as in Bengal, to act with one impulse, and make all leaders sink their personal differences in the presence of a common danger

It is well to remember that the term 'boycott,' owing to its origin, has got unsavoury associations, and it conveys to the mind before everything else a vindictive desire to injure another. Such a desire on our part, as a normal feature of our relations with England, is, of course, out of the question. Moreover, if the boycott is confined to British goods only, it leaves us free to purchase the goods of other foreign countries, and this does not help the *Swadeshi* movement in any way.

Gentlemen, the true *Swadeshi* movement is both a patriotic and an economic movement. The idea of *Swadeshi* or 'one's own country' is one of the noblest conceptions that have ever stirred the heart of humanity. As the poet asks—

Breathes there the man with soul so dead,
Who never to himself hath said,—
This is my own, my native land !

The devotion to mother-land, which is enshrined in the highest *Swadeshi*, is an influence so profound and so passionate that its very thought thrills and its actual touch lifts one out of oneself. India needs to-day above everything else that the gospel of this devotion should be preached to high and low, to Prince and to peasant, in town and in hamlet, till the service of mother-land becomes with us as overmastering a passion as it is in Japan. The *Swadeshi* movement, as it is ordinarily understood, presents one part of this gospel to the mass of our people in a form which brings it

within their comprehension. It turns their thoughts to their country, accustoms them to the idea of voluntarily making some sacrifice for her sake, enables them to take an intelligent interest in her economic development and teaches them the important lesson of co-operating with one another for a national end. All this is most valuable work, and those who undertake it are entitled to feel that they are engaged in a highly patriotic mission. But the movement on its material side is an economic one; and though self-denying ordinances, extensively entered into, must serve a valuable economic purpose, namely, to ensure a ready consumption of such articles as are produced in the country and to furnish a perpetual stimulus to production by keeping the demand for indigenous things largely in excess of the supply, the difficulties that surround the question economically are so great that they require the co-operation of every available agency to surmount them. The problem is, indeed, one of the first magnitude. Twelve years ago, the late Mr. Ranade remarked at an Industrial Conference held at Poona:—"The political domination of one country by another attracts far more attention than the more formidable, though unfelt domination, which the capital, enterprise and skill of one country exercise over the trade and manufactures of another. This latter domination has an insidious influence which paralyzes the springs of all the varied activities, which

together make up the life of a nation." The question of production is a question of capital, enterprise and skill, and in all these factors our deficiency at present is very great. Whoever can help in any one of these fields is, therefore, a worker in the *Swadeshi* cause and should be welcomed as such. Not by methods of exclusion but by those of comprehension, not by insisting on every one working in the same part of the field but by leaving each one free to select his own corner, by attracting to the cause all who are likely to help and not alienating any who are already with us, are the difficulties of the problem likely to be overcome. Above all, let us see to it that there are no fresh divisions in the country in the name of *Swadeshim*. No greater perversion of its true spirit could be imagined than that.

Take the question of cotton piece-goods, of which we import at present over 22 millions sterling worth a year. This is by far the heaviest item among our imports and our present *Swadeshi* agitation is directed mainly towards producing as much of these goods in our own country as possible. I have consulted three of the best experts available in India on this subject—Mr. Bezanji of Nagpore, the right-hand man of the late Mr. Tata in mill matters, the Hon. Mr. Vithaldas Damodardhas, who has written an admirable paper on the Cotton Industry for the Industrial Conference and has kindly placed a copy of it at my disposal, and our friend Mr.

Wacha. They are all agreed about the requirements and the difficulties of the situation. So far as the cotton fabrics are concerned, even strict Free Traders should have nothing to say against the encouragement which the *Swadeshi* movement seeks to give to their manufacture in India. In the first place, many of the usual objections that may be urged against a system of State protection do not apply to helpful voluntary action on the part of consumers, such as the *Swadeshi* movement endeavours to promote. Moreover, the essence of Free Trade is that a commodity should be produced where the comparative cost of its production is the least and that it should be consumed where its relative value is the highest; and if accidental circumstances have thwarted such an adjustment in a given case, any agency which seeks to overcome the impediment works in the end in the interests of true Free Trade. Now everyone will admit that with cheap labour and cotton at her own door, India enjoys exceptional advantages for the manufacture of cotton goods; and if the *Swadeshi* movement helps her to regain her natural position in this respect—a position which she once occupied but out of which she has been driven by an extraordinary combination of circumstances—the movement works not against but in furtherance of true Free Trade. Even at present the Cotton Industry in India is an important one. It is the largest industry after agriculture in the country;

it is also the only one—agriculture excepted—in which the Indians themselves have a substantial share. It is represented by a paid-up capital of about 17 crores of rupees or a little over 11 millions sterling, the number of mills being about 200, with five million spindles and fifty thousand power-loom. In addition to this, there are, according to the Census of 1901, about a quarter of a million persons engaged in hand-loom weaving in the country. Our mills consume nearly 60 per cent. of the cotton produce of India and produce 58 crore lbs. of yarn. Of this quantity, Mr. Vithaldas tells us, about $23\frac{1}{2}$ crore lbs. is exported to China and other foreign countries, about $13\frac{1}{2}$ crore lbs. is used in our weaving mills, and about 19 crore lbs. is woven by hand-loom weavers, the remaining 2 crore lbs. going to the manufacture of rope and twine. In addition to this, 3 crore lbs. of yarn is imported from the United Kingdom, and is consumed by the hand-loom. The hand-loom industry of the country thus absorbs, in spite of its hard struggles, about 22 crore lbs. of yarn, or nearly double the quantity woven by power-loom, and this is a most interesting and significant fact. The yarn used by the weaving mills produces about 55 crores of yards of cloth, of which about 14 crore yards is exported to foreign countries and about 41 crores is left for consumption in the country. If we put down the production of the hand-loom at about 90 crore yards, we have about 130 crore

yards as the quantity of *Swadeshi* cloth consumed at present in India.

The quantity of piece-goods imported from the United Kingdom and retained for use in the country is about 205 crore yards a year. Of the total cloth consumed, therefore, over one-third is at present *Swadeshi*. This is an encouraging feature of the situation. But the imported cloth is almost all superior in quality. "While our mills," Mr. Vithaldas says, "produce the coarser cloth, say from yarn up to 30s. count and in a few cases up to 40s., the bulk of the imported cloth is of the finer quality, using yarn over 30s. count. The Indian weaving mills are obliged to restrict themselves for the most part to weaving coarser cloth owing to the inferior quality of cotton now grown in the country." It may be noted that even from existing cotton, hand-looms can, owing to their greater delicacy of handling the yarn, produce finer cloth than the power-looms. Fortunately, owing to the exertions of the Agricultural Department of the Bombay Government—exertions for which it is entitled to the best thanks of the whole country—Egyptian cotton has just been successfully introduced into Sind, and this year a thousand bales of a quality equal to very good Egyptian have been produced. A much heavier crop is expected next year and there is no doubt that its cultivation will rapidly extend. The main difficulty in the way of our manufacturing the quality of cloth that

is at present imported is one of capital. Mr. Wacha estimates that if the whole quantity of 205 crore yards is to be produced by mills, the industry requires an additional capital of about 30 crores of rupees. Even if we proposed to spread this over ten years, we should require an addition of 3 crores of rupees every year. Now if we turn to the Statistical Abstract of British India, we shall find that the total increase in the capital invested in cotton mills during the last ten years has been only about 3 crores,—an amount that Mr. Wacha wants every year for ten years. The normal development of the mill industry is thus plainly unequal to the requirements of the situation. Moreover, it is well to remember what Mr. Bezanji says—that the present mill-owners must not be expected to be very keen about the production of finer cloth, because its manufacture is much less paying than that of the coarser cloth. This is due to various causes, the principal one among them being that English capital, similarly invested, is satisfied with a smaller range of profits. Capital from other quarters must, therefore, be induced to come forward and undertake this business. If we again turn to the Statistical Abstract, we shall find that our people hold about 50 crores of rupees in Government Securities and about 11 crores in Postal Savings Banks. The private deposits stand at about 33 crores of rupees, but there are no means of ascertaining how much of the amount is held

by Indians. Considering the extent of the country and the number of the population, these resources are, of course, extremely meagre. Still they might furnish some part of the capital needed. In this connection, may I say that a special responsibility now rests in the matter on the Aristocracy of Bengal! And this is not merely because the *Svadeshi* movement is being so vigorously advocated in their Province, but also because, owing to the Permanent Settlement of Bengal, they are enabled to enjoy resources, which in other parts of India, are swept into the coffers of the State. If sufficient capital is forthcoming, Mr. Bezanji's patriotism may, I am sure, be relied on to secure for the undertaking whatever assistance his great capacity and unrivalled knowledge can give. It must, however, be admitted that capital will come forward only cautiously for this branch of the business. But the hand-loom is likely to prove of greater immediate service. Mr. Vithaldas looks forward to a great revival of the hand-loom industry in the country, and I cannot do better than quote what he says on this point in his paper. "This village industry," he says, "gives means of livelihood not only to an immense number of the weaver class, but affords means of supplementing their income to agriculturists—the backbone of India—who usually employ themselves on hand-loom when field work is unnecessary, and also when, owing to famine, drought or excessive rains, agricultural operations are

not possible. Now the apparatus with which they work is nearly two centuries behind the times. Mr. Havell, Principal of the Calcutta School of Arts, Mr. Chatterton of the Madras School of Arts, and Mr. Churchill of Bangalore, along with many others, are doing yeoman's service by taking keen interest in the question of supplying economical and improved apparatus to the hand-loom weavers. Mr. Havell has pointed out that in preparing the work our hand-loom weavers are incapable of winding more than two threads at a time, though the simplest mechanical device would enable them to treat 50 or 100 threads simultaneously. The latest European hand-loom, which successively competes with the power-loom in Cairo and in many places in Europe, can turn out a maximum of 48 yards of common cloth in a day. Mr. Havell is satisfied that the greater portion of the imported cotton cloth can be made in the Indian hand-looms with great profit to the whole community. The question of the immediate revival of the hand-loom weaving industry on a commercial basis demands the most earnest attention of every well-wisher of India and evidence gives promise of a successful issue to efforts put forward in this direction." The outlook here is thus hopeful and cheering; only we must not fail to realize that the co-operation of all who can help—including the Government—is needed to overcome the difficulties that lie in the path.

OUR AIMS AND ASPIRATIONS.

Gentlemen, this is the twenty-first session of the Indian National Congress. Year after year, since 1885, we have been assembling in these gatherings to give voice to our aspirations and to formulate our wants. When the movement was first inaugurated, we were under the influence of that remarkable outburst of enthusiasm for British Rule, which had been evoked in the country by the great Viceroyalty of the Marquis of Ripon. The best beloved of India's Viceroys was not content to offer mere lip-homage to the principle that righteousness alone exalteth a nation. He had dared to act on it in practice and he had braved persecution at the hands of his own countrymen in India for its sake. Lord Ripon's noblest service to this country was that he greatly quickened the processes by which the consciousness of a national purpose comes to establish itself in the minds of a people. The Congress movement was the direct and immediate outcome of this realization. It was started to focus and organize the patriotic forces that were working independently of one another in different parts of the country so as to invest their work with a national character and to increase their general effectiveness. Hope at that time was warm and faith shone bright, largely as a result of Lord Ripon's Viceroyalty, and those who started the Congress believed that, by offering their criticism and urging

their demands from a national platform where they could speak in the name of all India, they would be able to secure a continuous improvement of the administration and a steady advance in the direction of the political emancipation of the people. Twenty years have since elapsed, and during the time much has happened to chill that hope and dim that faith, but there can be no doubt that work of great value in our national life has already been accomplished. The minds of the people have been familiarized with the idea of a united India working for her salvation; a national public opinion has been created; close bonds of sympathy now knit together the different Provinces; caste and creed separations hamper less and less the pursuit of common aims; the dignity of a consciousness of national existence has spread over the whole land. Our record of political concessions won is, no doubt, very meagre, but those that have been secured are of considerable value; some retrogression has been prevented; and if latterly we have been unable to stem the tide of reaction, the resistance we have offered, though it has failed of its avowed purpose, has substantially strengthened our public life. Our deliberations have extended over a very wide range of problems; public opinion in the country is, in consequence, better informed, and the Press is steadily growing in authority and usefulness. Above all, there is a general perception now of the goal towards

which we have to strive and a wide recognition of the arduous character of the struggle and the immense sacrifices it requires.

The goal of the Congress is that India should be governed in the interests of the Indians themselves, and that, in course of time, a form of Government should be attained in this country similar to what exists in the self-governig Colonies of the British Empire. For better, for worse, our destinies are now linked with those of England, and the Congress freely recognises that whatever advance we seek must be within the Empire itself. That advance, moreover, can only be gradual, as at each stage of the progress it may be necessary for us to pass through a brief course of apprenticeship before we are enabled to go to the next one; for it is a reasonable proposition that the sense of responsibility, required for the proper exercise of the political institutions of the West, can be acquired by an Eastern people through practical training and experiment only. To admit this is not to express any agreement with those who usually oppose all attempts at reform on the plea that the people are not ready for it. "It is liberty alone," says Mr. Gladstone³ in words of profound wisdom, "which fits men for liberty. This proposition, like every other in politics, has its bounds; but it is far safer than the counter doctrine, wait till they are fit." While, therefore, we are prepared to allow that an

advance towards our goal may be only by reasonably cautious steps, what we emphatically insist on is that the resources of the country should be primarily devoted to the work of qualifying the people by means of education and in other ways for such advance. Even the most bigoted champion of the existing system of administration will not pretend that this is in any degree the case at present. Our net revenue is about 44 millions sterling. Of this very nearly one-half is now eaten up by the Army. The Home Charges, exclusive of their military portion, absorb nearly one-third. The two, between them, account for about 34 millions out of 44. Then over 3 millions are paid to European officials in civil employ. This leaves only about 7 millions at the disposal of the Government to be applied to other purposes. Can any one, who realises what this means, wonder that the Government spends only a miserable three-quarters of a million out of State funds on the education of the people—primary, secondary and higher, all put together! Japan came under the influence of Western ideas only forty years ago, and yet already she is in a line with the most advanced nations of the West in matters of mass education, the State finding funds for the education of every child of school-going age. We have now been a hundred years under England's rule, and yet to-day four villages out of every five are without a school house and seven children out

of eight are allowed to grow up in ignorance and in darkness! Militarism, Service interests and the interests of English capitalists,—all take precedence to-day of the true interests of the Indian people in the administration of the country. Things cannot be otherwise, for it is the Government of the people of one country by the people of another, and this, as Mill points out, is bound to produce great evils. Now the Congress wants that all this should change and that India should be governed, first and foremost, in the interests of the Indians themselves. This result will be achieved only in proportion as we obtain more and more voice in the government of our country. We are prepared to bear—and bear cheerfully—our fair share of the burdens of the Empire, of which we are now a part, but we want to participate in the privileges also, and we object most strongly to being sacrificed, as at present, in order that others may prosper. Then the Congress asks for a redemption of those promises for the equal treatment of Indians and Englishmen in the Government of this country, which have been so solemnly given us by the Sovereign and the Parliament of England. It is now three-quarters of a century since the Parliament passed an Act, which, the Court of Directors pointed out, meant that there was to be no governing caste in India. The governing caste, however, is still as vigorous, as exclusive as ever. Twenty-five years later, the late Queen-Empress addressed a most memor-

able Proclamation to the Princes and people of India. The circumstances connected with the issue of that Proclamation and its noble contents will always bear witness to the true greatness of that great sovereign and will never cease to shed lustre on the English name. The Proclamation repeats the pledges contained in the Charter Act of 1833, and though an astounding attempt was made less than two years ago by the late Viceroy to explain away its solemn import, the plain meaning of the royal message cannot be altered without attributing what is nothing less than an unworthy subterfuge to a Sovereign, the deep reverence for whose memory is an asset of the Empire. That the Charter Act of 1833 and the Queen's Proclamation of 1858 have created in the eyes of reactionary rulers a most inconvenient situation is clear from a blunt declaration which another Viceroy of India, the late Lord Lytton, made in a confidential document and which has since seen the light of day. Speaking of our claims and expectations based on the pledges of the Sovereign and the Parliament of England, he wrote:—"We all know that these claims and expectations never can or will be fulfilled. We have had to choose between prohibiting them (the Natives of India) and cheating them, and we have chosen the least straightforward course.....Since I am writing confidentially, I do not hesitate to say that both the Government of England and of India appear to me up to the present moment unable to answer

satisfactorily the charge of having taken every means in their power of breaking to the heart the words of promise they had uttered to the ear." We accept Lord Lytton as an unimpeachable authority on the conduct of the Government in evading the fulfilment of the pledges. We deny his claim to lay down that our "claims and expectations never can or will be fulfilled."

Our whole future, it is needless to say, is bound up with this question of the relative position of the two races in this country. The domination of one race over another—especially when there is no great disparity between their intellectual endowments or their general civilization—inflicts great injury on the subject race in a thousand insidious ways. On the moral side, the present situation is steadily destroying our capacity for initiative and dwarfing us as men of action. On the material side, it has resulted in a fearful impoverishment of the people. For a hundred years and more now India has been for members of the dominant race a country where fortunes were to be made to be taken out and spent elsewhere. As in Ireland, the evil of absentee landlordism has in the past aggravated the racial domination of the English over the Irish, so in India what may be called absentee capitalism has been added to the racial ascendancy of Englishmen. A great and ruinous drain of wealth from the country has gone on for many years, the net excess of exports over

imports (including treasure) during the last forty years amounting to no less than a thousand millions sterling. The steady rise in the death-rate of the country—from 24 per thousand, the average for 1882-84, to 30 per thousand, the average for 1892-94, and 34 per thousand, the present average,—is a terrible and conclusive proof of this continuous impoverishment of the mass of our people. India's best interests—material and moral—no less than the honour of England, demand that the policy of equality for the two races promised by the Sovereign and by Parliament should be faithfully and courageously carried out.

THE BUREAUCRACY.

Gentlemen, as I have already observed, the manner in which the Partition of Bengal has been carried out furnishes striking illustration of the worst features of the present system of bureaucratic rule. Happily these features are not always so conspicuously in evidence. No one also denies that a large proportion of the members of the bureaucracy bring to their work a high level of ability, a keen sense of duty and a conscientious desire, within the limits of the restricted opportunities permitted by the predominance of other interests, to do what good they can to the people. It is the system that is really at fault—a system which relegates the interest of the people to a very subordinate place and which, by putting too much power into the

hands of these men, impairs their sense of responsibility and develops in them a spirit of intolerance of criticism. I know many of these men are on their side constantly smarting under a sense of unfair condemnation by our countrymen. They fail to realize that if the criticism that is passed on their actions is sometimes ill-informed and even unjust, this is largely due to the veil of secrecy which carefully hides official proceedings from the view of the people in India. Moreover, theirs are at present all the privileges of the position and they must bear without impatience or bitterness its few disadvantages. I have already said that our advance towards our goal can only be gradual. Meanwhile, there is a great deal of work to be done for the country in which officials and non-officials could join hands. A considerable part of the way we could both go together, but it can only be on terms consistent with the self-respect of either side. In old times, when British rule was new and its higher standards and its more vigorous purposes excited general admiration, the Englishman's claim to a privileged position, even outside the sphere of official duties, was allowed to pass unchallenged. That is now no longer possible, and those officials, who expect the Indians to approach them with bated breath and whispering humbleness—and the type is not confined to the new Eastern Province exclusively—not only make useful relations between the two sides impossible, but do more harm to

their own class than they imagine. In one respect the gulf between the official and educated classes of the country is bound to widen more and more every day. The latter now clearly see that the bureaucracy is growing frankly selfish and openly hostile to their national aspirations. It was not so in the past. In a most remarkable letter which I had the honour to receive, while in England two months ago, from Mr. Hodgson Pratt—a great and venerated name among all lovers of peace—he tells us with what object Western education was introduced into this country. “Fifty years ago,” writes Mr. Pratt, who in those days was a member of the Bengal Civil Service, “while India was still under the Government of the East India Company, it was considered both just and wise to introduce measures for national education on a liberal scale, with adequate provision of schools, colleges, and universities. This event was hailed with lively satisfaction by the native population as heralding a new era of social progress, and as satisfying the active intelligence of the Hindus. Now it must be observed that the character of the teaching thus inaugurated by Englishmen would necessarily reflect the ideals which have for centuries prevailed among them. In other words Indian youths would be brought up to admire our doctrines of political liberty, popular rights, and national independence; nor could it ever have been supposed that these lessons would fall upon deaf ears and cold hearts.

On the contrary, the inevitable result of such teaching was clearly perceived by the Government of those days, and was regarded in a generous spirit. In support of this assertion I may mention that at the time of the inauguration of these measures I accompanied the then Lieutenant-Governor of Bengal (Sir Frederick Halliday) on one of his winter tours through the province. Naturally, he called the attention of those who attended the public meetings held by him to the new education policy, and he always took occasion to declare that the schools would promote one of the leading purposes of British rule, *which was to prepare the people for self-government*. It certainly was not supposed that at any subsequent time a policy would be adopted, which would disappoint the legitimate hopes thus created." Now, however, that the time has come for the bureaucracy to part with some of its power in favour of the educated classes, all kinds of excuses are brought forward to postpone what is no doubt regarded as the evil day. One favourite argument is that the educated classes are as yet only a very small fraction of the community. The hollowness of this plea was well exposed by the late Mr. George Yule in his address as President of our National Congress in 1888. Quoting Prof. Thorold Rogers, he pointed out that a hundred years ago, not one man in ten or one woman in twenty knew how to read and write in England. Going another century

or two back, he added, the people of England, man and boy, high and low, with the exception of a mere handful, were steeped in the grossest ignorance, and yet there was a House of Commons. We have now in this country about 15 million people who can read and write, and about a million of these have come under the influence of some kind of English education. Moreover, what we ask for at present is a voice in the Government of the country, not for the whole population, but for such portion of it as has been qualified by education to discharge properly the responsibilities of such association. Another argument brought forward in favour of maintaining the present bureaucratic monopoly of power is that though the educated classes make a grievance of it, the mass of the people are quite indifferent in the matter. Now, in the first place, this is not true. However it may suit the interests of the officials to deny the fact, the educated classes are, in the present circumstances of India, the natural leaders of the people. Theirs is the Vernacular Press, the contents of which do not fail to reach the mass of our population; in a hundred ways they have access to the minds of the latter; and what the educated Indians think to-day, the rest of India thinks to-morrow. Moreover, do the officials realise how their contention condemns their rule out of their own mouths? For it means that only so long as the people of India are kept in ignorance and their faculties are

forced to lie dormant, that they do not raise any objection to the present system of administration. The moment education quickens those faculties and clears their vision, they range themselves against a continuance of the system !

OUR IMMEDIATE DEMANDS.

Gentlemen, a number of important questions will come up before you for discussion during the next two days, and following the practice of previous Congresses, you will, no doubt, record after due deliberation, your views on them in the form of resolutions. This is, of course, necessary ; but may I suggest that, for purposes of effective agitation in the immediate future, we should now concentrate our main energies on certain selected portions of our programme ? Speaking broadly, most of the reforms that we have been advocating may be grouped under four heads :—

- (1) those which aim at securing for our people a larger and larger share in the administration and control of our affairs ; these include a reform of our Legislative Councils, the appointment of Indians to the Secretary of State's Council and the Executive Councils in India, and a steady substitution of the Indian for the European agency in the public service of the country ;
- (2) those which seek to improve the methods of administration, such as the separation of Judicial from Executive functions, Police Reform, and similar proposals ;
- (3) those which propose a readjustment of

financial arrangements with the object of securing a reduction of the burdens of the tax-payers and a more efficient application of our resources ; under this head come a reduction of military charges, the moderating of land assessments and so forth ; and (4) those which urge the adoption of measures calculated to improve the condition of the mass of the people ; these include a vigorous extension of primary education, facilities for industrial and technical instruction, grants for improved sanitation, and a real attempt to deal with the alarming indebtedness of the peasantry. Now what I would most earnestly and respectfully suggest is that we should select from each group such reforms as may be immediately urged with the greatest effect and press them forward in this country and in England with all the energy we can command. In my humble opinion, our immediate demands should be :—(1) A reform of our Legislative Councils, *i.e.*, raising the proportion of elected members to one-half, requiring the budgets to be formally passed by the Councils, and empowering the members to bring forward amendments, with safeguards for bringing the debates to a close in a reasonable time. The Presidents of the Councils should have the power of veto. The Viceroy's Legislative Council consists at present of 25 members, of whom only five are elected, one by the Chamber of Commerce of Calcutta—a body of Europeans—and the other four by four provinces. We must ask for the proportion of

elected members to be now raised to 12. Of this number, one seat might be given to commerce and one to certain industries, and the remaining ten should be assigned to different provinces, two to each of the three older provinces, and one each to the remaining. And, to begin with, the right of members to move amendments may be confined to one amendment each. The two members for commerce and industries will generally be Europeans, and they will ordinarily vote with Government. Thus even if all the ten provincial members voted together, they would be only 10 out of 25. Ordinarily they will not be able to carry a motion against the Government, but on exceptional occasions they may obtain the support of two or three men from the other side, and then the moral effect of the situation will be considerable. In the provincial Legislative Councils, we must have an increase in the number of members, each district of a province being empowered to send a member. The objection that these bodies will, in that case, be somewhat unwieldy is not entitled to much weight.

(2) The appointment of at least three Indians to the Secretary of State's Council, to be returned, one each, by the three older provinces.

(3) The creation of Advisory Boards in all Districts throughout India, whom the heads of districts should be bound to consult in important matters of administration concerning the public before taking action.

For the present, their functions should be only advisory, the Collectors or District Magistrates being at liberty to set aside their advice at their discretion. Half the members of a Board should be elected representatives of the different Talukas or subdivisions of the district, and the other half should consist of the principal District Officers and such non-official gentlemen as the head of the district may appoint. These Boards must not be confounded with what are known as District Local Boards. There is, at present, too much of what may be called Secretariat rule, with an excessive multiplication of central departments. District administration must be largely freed from this, and reasonable opportunities afforded to the people concerned to influence its course, before final decisions are arrived at. If such Boards are created, we may, in course of time, expect them to be entrusted with some real measure of control over the district administration. The late Mr. Ranade used to urge the importance of such Boards very strongly. If ever we are to have real local government in matters of general administration, the creation of these Boards will pave the way for it. One great evil of the present system of administration is its secrecy. This will be materially reduced, so far as district administration is concerned, by the step proposed.

(4) The recruitment of the judicial Branch of the Indian Civil Service from the legal profession in India.

(5) The separation of Judicial and Executive functions.

(6) A reduction of military expenditure.

(7) A large extension of primary education.

(8) Facilities for industrial and technical education.

(9) An experimental measure to deal with the indebtedness of the peasantry over a selected area.

I think, gentlemen, if we now concentrate all our energies on some such programme, we may, within a reasonable time, see results which will not be altogether disappointing. One thing is clear. The present is a specially favourable juncture for such an effort. In our own country, there is sure to be a great rebound of public opinion after the repression to which it has been subjected during the last three years. And in England, for the first time since the Congress movement began, the Liberal and Radical party will come into real power. My recent visit to England, during which I enjoyed somewhat exceptional opportunities to judge of the situation, has satisfied me that a strong current has already set in there against that narrow and aggressive Imperialism, which only the other day seemed to be carrying everything before it. The new Prime Minister is a tried and trusted friend of freedom. And as regards the new Secretary of State for India, what shall I say? Large numbers of educated men in this country feel towards Mr. Morley as towards a Master, and the heart hopes and

yet it trembles, as it had never hoped or trembled before. He, the reverent student of Burke, the disciple of Mill, the friend and biographer of Gladstone,—will he courageously apply their principles and his own to the Government of this country, or will he too succumb to the influences of the India Office around him, and thus cast a cruel blight on hopes, which his own writings have done so much to foster? We shall see; but in any case his appointment, as Secretary of State for India, indicates how strongly favourable to our cause the attitude of the new Ministry is. Mr. Ellis, the new Under-Secretary of State for India, is openly known to be a friend of our aspirations. A more gratifying combination of circumstances could not be conceived, and it now rests with us to turn it to the best advantage we can for our mother-land.

CONCLUSION.

Gentlemen, one word more and I have done. I have no wish to underrate the difficulties that lie in our path, but I am convinced more than ever that they are not insuperable. Moreover, the real moral interest of a struggle, such as we are engaged in, lies not so much in the particular readjustments of present institutions which we may succeed in securing, as in the strength that the conflict brings us to be a permanent part of ourselves. The whole life of a people, which is broader and deeper than what is touched by purely political

institutions, is enriched even by failures, provided the effort has been all that it should be. For such enrichment the present struggle is invaluable. "The true end of our work," said Mr. Ranade nine years ago, "is to renovate, to purify, and also to perfect the whole man by liberating his intellect, elevating his standard of duty, and developing to the full all his powers. Till so renovated, purified, and perfected, we can never hope to be what our ancestors once were—a chosen people, to whom great tasks were allotted and by whom great deeds were performed. Where this feeling animates the worker, it is a matter of comparative indifference in what particular direction it asserts itself and in what particular method it proceeds to work. With a liberated manhood, with buoyant hope, with a faith that never shirks duty, with a sense of justice that deals fairly by all, with unclouded intellect and powers fully cultivated, and, lastly, with a love that overleaps all bounds, renovated India will take her proper rank among the nations of the world, and be the master of the situation and of her own destiny. This is the goal to be reached—this is the promised land. Happy are they, who see it in distant vision; happier those who are permitted to work and clear the way on to it; happiest they, who live to see it with their eyes and tread upon the holy soil once more. Famine and pestilence, oppression, and sorrow, will then be myths of the past, and the gods will once again descend to the

earth and associate with men, as they did in times which we now call mythical." Gentlemen, I can add nothing that may be worthy of being placed by the side of these beautiful words. I will only call to your minds the words of another great teacher of humanity who asks us to keep our faith in spite of trying circumstances and warns us against the presumption of despairing, because we do not see the whole future clearly before our eyes :—

" Our times are in His hand
Who saith ' A whole I planned,
Youth shows but half ; trust God : see all, nor be afraid."

REDUCTION OF SALT DUTY.

[*The following speech was delivered by Mr. Gokhale at the Indian National Congress held in Calcutta in 1890 in support of the Resolution on the Reduction of Salt Duty placed before that assembly.*]

MR. PRESIDENT, LADIES AND GENTLEMEN,—I have been asked to support this proposition that has been ably proposed, seconded and explained by previous speakers. My predecessors have dealt with certain aspects of the question, and I will with your permission deal with one or two others. I say that the measures for the enhancement of the duty on salt in January 1888 by a mere executive order of the Government of India was a cruel departure—I might almost say a criminal departure—from the wise policy long since laid down by the Government of India and re-affirmed, strange as it may seem, when Lord Lytton was our Viceroy and Sir John Strachey our Finance Minister, namely the policy of raising a revenue from salt by a low rate of duty and unrestricted consumption instead of by a high rate of duty and restricted consumption. I say that this new departure was extremely unjust, that as a measure of statesmanship it was extremely impolitic, and that its consequences have been simply disastrous. I know these are serious charges, but I think I can substantiate them. First, with regard to the charge

of injustice. When Lord Dufferin's government passed the Income Tax Act of 1886 his Lordship said that the measure was not brought forward in any spirit of apology, that the masses of the country were already contributing more than their proper share to the expenses of the country, and that the income-tax would only equalise the burdens on the various classes. Well, the burdens being thus equalised in 1886, I ask on what principle of justice and equity was it that when two years afterwards a new emergency, as Government were pleased to call it, arose for additional taxation, it was the poor masses who were selected? How was it that when it was found necessary to create a fresh inequality in the taxation of the country matters were so arranged that the inequality was again prejudicial to the toiling masses? I do not know whether it was because the masses were almost certain to suffer silently without protest—I would even say without complaint—whereas their wealthier brethren were as certain to denounce any taxation on them in the public press and at St. Andrew's dinner speeches. So much with regard to the injustice of the measure: now with regard to its impolicy. We have on our side an authority not only infinitely greater than myself but one to which the Government of India ought to bow—I mean the authority of the Secretary of State for India, Lord Cross himself. Three months after the measure of enhancement his Lordship wrote a Despatch

to the Government on the subject. It was dated April 12th, 1888, and in it he expresses his great regret at the enhancement of the salt duty, and directed the Government of India in very distinct, unequivocal, and I would say, peremptory terms to take off the additional eight annas on the first opportunity afforded by the finances. He then went on to say that even from the point of view of expediency the enhancement was extremely undesirable, because in the case of so vast an empire as India it was absolutely essential for the Government always to hold in hand some financial reserve which they might utilize on occasions of any sudden and dangerous crisis. So much with regard to impolicy: now, with regard to consequences, I am going to show that consumption has actually been restricted by this measure. In 1888 Mr. Westland, our Finance Minister, said that the enhancement would not affect the consumption of the country. The figures supplied by Sir. David Barbour himself belied that prediction. The last year unaffected was 1886-87, and then the consumption stood at 3 crores and 10 lakhs of maunds. The next year, 1887-88, the first year affected by the measure, there was a fall of 6 lakhs of maunds, the figures being 3 crores 4 lakhs. The next year there was a further fall of 6 lakhs, the figures being 2 crores 28 lakhs. It is true that the figures have now gone up to those of 1886-87, but that does not show that the restrictive operation of

that enhancement has ceased, because we have to take into consideration the important factor of the increase in the consumption of salt owing to the normal growth of the population. That normal growth is one per cent. per annum, and taking the consumption at 10lbs. per head, you find that every year there ought to be an increase of fully 3 lakhs of maunds in the consumption of salt.

Taking this into account you will see that in the first year affected by the enhancement there was a fall of 9 lakhs, in the second of 18, and in the third of 9. Altogether in the last three years 36 lakhs of maunds less have been consumed by the people than they would have consumed if there had not been the enhancement. Sir John Gorst, speaking the other day in the House of Commons, said that the diminution in the consumption of salt was not appreciable—that was the term he used. I do not know what dictionaries would justify the use of the term, but Sir John Gorst is welcome to use the word in this connection. But I ask him, and those who think with him, who are the persons affected by this diminishing consumption? I dare say there is not a single person present, not a single member of those who are called the middle and upper classes, who have consumed, during the last three years, one grain of salt less than he would have done if there had been no enhancement. Who are the persons affected? They

are those who have been estimated by Sir William Hunter at 40 millions, and by Sir Charles Elliott at 70 millions, who always exist on the borderland of famine, so that, directly there is the least failure, down the precipice they go. The persons affected by this enhancement are they to whom the lines of the Corn Law poet might aptly be applied :—

“Landless, joyless, helpless, hopeless,
Gasping still for bread and breath,
To their graves by trouble hunted
India's helots toil till death.”

When you call to mind the thin emaciated figures of these unhappy, miserable, brethren who have as much right to the comforts of this God's earth as you or I or any one else; when you remember that the lives of those brethren are so uniformly dark and miserable, that they are hardly cheered by a single ray of hope, or relieved by a single day of rest; when, further, you remember that a person does not generally trench upon his stock of necessities before he has parted with every luxury, every single comfort that he may allow himself; when you recall all those things, you will clearly understand what grievous and terrible hardship and suffering and privation, this measure of enhancement which has curtailed the poor man's consumption of salt by thirty-six lakhs of maunds has really entailed. We are appealing in the present instance to the Government of India to reduce the duty on salt from two rupees eight annas to

two rupees per maund. My friend Mr. Wacha has shown that the state of the finances permits of such reduction. We are appealing to the sense of justice of the Government of India. We are appealing to their statesmanship, to their righteousness, and I will even go further and say to their mercy. The past is past and no one can recall it; but this much can surely be done—further evil and misery from that source can be averted. It is with this hope that I support this proposition, and in this hope I ask you to carry it with acclamation.

EMPLOYMENT OF INDIANS IN THE PUBLIC SERVICE.

[The following speech was made by Mr. G. K. Gokhale at the Congress held at Allahabad in 1892 in moving the proposition quoted below in full, expressing regret at the inadequate effect given by the Government of India to the recommendations of the Public Service Commission in regard to the employment of Indians in the Public Service.]

Mr. President, Ladies and Gentlemen,—The proposition which I have to move for your adoption is as follows :—

“ That this Congress hereby places on record its deep regret at the resolution of the Government of India on the Report of the Public Service Commission, in that—

- (a) Whereas, if the recommendations of the Public Service Commission had been carried out in their integrity, the posts proposed to be detached from the schedule of the Statute of 1861 would have formed part of an organised Service, specially reserved for the Natives of India, the resolution of Government leaves these posts altogether isolated, to which appointment can be made only under the Statute of 1870 ;*
- (b) Whereas 108 appointments were recommended by the Public Service Commission for the*

Provincial Service, 93 such appointments only have actually been thrown open to that Service : the number to be allotted to Assam not having been yet announced ;

- (c) *Whereas a membership of the Board of Revenue and a Commissionership of a Division were recommended for the Province of Bengal and some other Provinces, the Government has not given effect to this resolution ;*
- (d) *Whereas one-third of the Judgeships were recommended to be thrown open to the Provincial Service, only one-fifth have been so thrown open.*

And this Congress, again, distinctly puts on record its opinion that full justice will never be done to the people of this country, until the open competitive examination for the Civil Service of India is held simultaneously in England and in India.

Really, gentlemen, if ever a mountain was in labor and brought forth a mouse, it was in the present instance of the work of the Public Service Commission. Those of you who may remember the loud flourish of trumpets with which this Commission was heralded into being will easily understand what I say. And we of the Poona Sarvajanik Sabha here especially remember with what tremendous indignation and excitement Lord Dufferin spoke to us at Poona in 1887

about the way in which our Bengal brethren were predicting all sorts of evil from the appointment of the Commission. We, however, now find that the instinctive manner in which our countrymen of Bengal seemed to shrink from that Commission has been more than justified. Gentlemen, the Commission was appointed to devise a scheme which might reasonably be expected to possess the necessary elements of finality and to do *full justice* to the claims of the people of this country for their higher and more extensive employment in the public service. But what is the result? Have we been granted higher and more extensive employment? You will find upon a careful consideration of the subject, that we have not merely not gained anything, but we have been actually put back considerably. Just consider where we were before the appointment of this Commission. Of course, there was the Statute of 1861, which had reserved certain posts for those alone who would pass the London examination, but under the rules of 1879, *one-sixth of the whole recruitment* was secured to natives of India. Mark, one-sixth of the whole recruitment was secured and not one-sixth of the reserved posts only, as the Government of India and the Commission have tried to assume. There is much difference between one-sixth of the total recruitment and one-sixth of the reserved schedule posts. There are only

about 600 scheduled posts. But over and above these, about 150 other posts are generally held by Covenanted Civilians. Thus there are altogether about 750 posts which are held by Covenanted Civilians in this country. Gentlemen, remember that I am taking the figures which the Government of India themselves have supplied in their reply to a representation from the Indian Association of Calcutta, and not the higher ones given by the Commission in its report. Well, under the rules of 1879, if full effect had been given to them, we should, in the long run, have had one-sixth of these 750 posts and not merely one-sixth of the 600 reserved by the Act of 1861. Gentlemen, I grieve to say that in regard to this question of one-sixth, the Commission itself has written in a very misleading manner. In recommending that 108 posts should be detached from the schedule of the Act of 1861, the Commission has gravely stated that the number is greater than that to which we were entitled under the rules of 1879. Of course, the posts reserved by the Act of 1861 are only 600, and one-sixth of them, *i.e.*, 100 is undoubtedly less than 108. But it is simply astonishing that the Commission should have ignored the fact that the rules of 1879 had secured to us one-sixth of the annual recruitment, and this recruitment takes place, not for the 600 reserved posts only, but for the 750 reserved and unreserved posts

which are generally held by Covenanted Civilians. Thus, if full effect had been given to the rules of 1879, about 125 posts, usually held by members of the Covenanted Service, would have, in the long run, been held by Statutory Civilians. And when, therefore, the Commission recommended the setting apart of 108 posts only, it did, beyond a shadow of doubt, recommend a number that was smaller than that which was secured to us by the rules of 1879. Thus did the Commission discharge the duty entrusted to it, of doing full justice to the claims of the people of this country to *higher and more extended employment* in the higher grades of the public service!

Gentlemen, you now see what our position was before the appointment of the Commission. Next let us look at what the Commission proposed for us. The Commission proposed that in place of the posts secured to us by the rules of 1879, 108 posts from the schedule of the Act of 1861 should be set apart for us. Well, this was giving us 108 in the place of our 125, but there was one good feature about the Commission's recommendation. The Commission had recommended that these 108 posts should be detached from the schedule of the Act of 1861 by Parliamentary legislation, and should then be incorporated into the Provincial Service which the Commission had proposed to create. That service practically was to be exclusively for the natives of this country, while the Imperial

service was intended for those who passed the examination in London. If this recommendation of the Commission had been carried out, these 108 posts would have formed part of the Provincial Service. The Secretary of State was, however, afraid of facing Parliament. Lord Cross felt that, if he took the matter before the House of Commons, inconvenient questions might be raised, and his own hands, to some extent, forced, because at that time our high-souled and devoted champion, Mr. Charles Bradlaugh, was alive, and he would certainly have seen that some justice at least was done to the people of India. It was necessary, therefore, to avoid Parliamentary legislation, and this choice being made, the subsequent course of the Secretary of State was clear. And the position now is this:—Government has retained the Statutes of 1861 and 1870, but the rules of 1879 framed under the Act of 1870, have been abolished, and the 108 posts which the Commission proposed to detach from the schedule of the Statute of 1861 *by Parliamentary legislation* remain in that schedule. And the Government of India now proposes to place instead about 93 or 94 out of the posts reserved in the schedule on a separate list, and make appointments to them, if it thinks that competent natives are available, under the Act of 1870. Gentlemen, if the scheme of the Commission had been adopted, the schedule of the Act of 1861 would itself have

been curtailed by Parliamentary enactment, and the posts cut off, *i. e.*, 108 in number, would have formed part of the *Provincial Service*. But by avoiding Parliamentary legislation, these posts—and their number has been reduced from 108 to 93 or 94—have now been left hanging alone and unconnected between the two services, the Civil Service of India and the Provincial Service, and appointments to them would only be special appointments under the Act of 1870. This leaves a large measure of discretion to Government, which, I am not sure, will not be abused. Then, Gentlemen, you have to remember that the Secretary of State has already decided that appointments made under the Act of 1870 are made to single posts only and do not form part of an organized service. Indeed, when the Commission made its recommendation about the 108 posts, one of its chief arguments in favour of its scheme was that by it the natives would be great gainers, inasmuch as the posts detached from the schedule of the Statute of 1861 would form part of an organized service. The distinction between appointments to specific posts and appointments to posts forming part of an organized service was thus stated by the Commission:—"Membership in an organized service ensures a more permanent status and involves more certain prospects than if appointment is made to a particular post only and every step of further promotion requires a fresh exercise of

the power of appointment under the Statute. In the former case, the merit and ability required as a condition of first appointment are, in the absence of positive evidence to the contrary, presumed for purposes of subsequent promotions; in the latter case, they have to be proved afresh at each step." When a person is a member of an organized service *Government* has to prove his incapacity before he is passed over; while when he holds a specific appointment only, such as is conferred under the Act of 1870, it is for *him* to prove that he deserves to be promoted.

Thus if the 108 or rather 93 appointments had been thrown into the Provincial Service, we should have had a right to all those appointments and should have got them all, unless the Government were able to prove that there was not a single individual amongst us, natives of India, fit for any of them. But now we have ourselves to prove our fitness, in a manner satisfactory to Government, before we get them. Gentlemen, you will thus see that, if the scheme of the Commission had been adopted, the Government would have had to prove our incompetency in each case before they could be in a position to appoint a Covenanted Civilian to any of these posts. This means an important difference. The grievance is a very serious one, and it is, therefore, only proper that it should occupy the foremost position in this resolution.

The second part of the resolution is one which you can very easily understand, and I shall not, therefore, detain you more than a moment in speaking upon it. It states that, while the Commission recommended 108 appointments to be given to us, the Government has only given 93 or, including 2 or 3 appointments for Assam, about 96. Thus the number recommended by the Commission has been considerably reduced, and the quality also of the appointments has been lowered, inasmuch as the highest posts recommended by the Commission have been withheld by Government. To sum up our complaints in this matter, we find that even the retrograde recommendations of the Commission have been deprived by the Government of India of whatever beneficent character they possessed; that the number and quality of the posts proposed to be detached by the Commission from the schedule to the Statute of 1861 have been reduced; and that a large and perilous measure of discretion has been reserved by Government to itself which is almost sure to be abused. And all this as the outcome of the labours of a Commission solemnly appointed to do full justice to our claims for larger and more extensive employment in the higher grades of the public service!

The last part of the resolution deals with the question of simultaneous examinations. I do not wish to say much on this question, partly because I can say

very little on this subject that may appear new to you, and partly because I have been anticipated in my observations by my friend Babu Surendra Nath Banerji, who has stated the case with his usual eloquence and vigour. But I will say this, that, so far back as the year 1860, a Committee of the India Office did actually recommend the holding of simultaneous examinations as the only way to adequately fulfil the pledges that have been from time to time given to the people of this country by Government in this matter. Gentlemen, in those days the consciences of our rulers were not so elastic as they have now become. The Committee of the India Office felt that, though Government had been repeatedly promising that no distinction would be made among Her Majesty's subjects on the ground of race, colour or creed, yet, practically, for years together they shut us out from the Civil Service of our own country. The Committee, therefore, unanimously recommended the holding of simultaneous examinations in England and India. Gentlemen, the value of that recommendation of the Committee was further enhanced by the fact that it was made only three years after that terrible event, the Mutiny of 1857. There is a point in that, for if ever a policy of distrust would have been justified, it would have been so at that time! And yet what the Committee of the India Office recommended as necessary in 1860, the Public

Service Commission of 1886 chose to regard as unsafe and dangerous. Theoretically, of course, there is no inequality, but as pointed out by Babu Surendra Nath Banerji, though we are told that we are at liberty to enter the Civil Service if we can, when we want to enter, we are asked to seek a door which stands at a distance of ten thousand miles from this country. And thus practically what they give us with one hand they take away with the other.

Gentlemen, I must not take up more of your time, but I will only say one word in regard to the promises which have so often been made to us in this matter. So far back as 1833, the Parliament of England deliberately declared that, as far as admission to the Public Service of India was concerned, no obstacles would be placed in the path of natives on the score of race, creed or color. That declaration was further emphasised in the great Proclamation of 1858. And if these solemn promises are to be fulfilled, there is only one way in which that can be done, and that is by holding simultaneous examinations here and in England. We might for the present be prepared even to accept some limitations. We might, for instance, go in for the compromise suggested by Mr. Dadabhai Naoroji in his evidence before the Public Service Commission, that the annual recruitment should be half of natives and half of Europeans. Personally, I may go further and say that natives who

pass in India should be compelled to reside for two years at some English University. But so long as we are not examined here, it is idle to say that, because the competitive examination is the same, therefore natives and Europeans are placed on a footing of equality. Unfortunately the fact cannot be gainsaid, that of late our rulers have been showing a disposition to regret the promises given us in the past; and I should not be surprised if they one day turned round and said that these promises were never intended to be carried out. In that case I say it would be well for them to openly and publicly fling into the flames all these promises and pledges as so much waste paper, and tell us once for all that after all we are a conquered people and can have no rights or privileges.

That the Government has, of late, been pursuing a policy of retrogression is clear to every one. Turn whichever way we may, we find that a change, and a change for the worse, is coming over the spirit of the Government. Whether you consider the Jury Notification in Bengal, or the curtailment of educational grants, or the treatment accorded to Municipalities, you cannot help feeling that Government is treating us with increasing jealousy and distrust every day. And unless this régime of distrust is soon changed, unless the policy of Government is inspired by more sympathetic feelings, darker days cannot but be in store for this poor country. Gentlemen, it is not difficult

to understand why this change of spirit has come upon the Government. Indeed, the reason was eloquently given expression to by Mr. Pherozeshah Mehta at the last Bombay Provincial Conference. Mr. Mehta said that it was all very well for the rulers to talk of raising the subject to the level of the ruler, but when the subject began to press close, uncomfortably close, the temptation to kick back a little was irresistible.

Gentlemen, in the midst of this dark and dismal situation, there is only one relieving feature. It is the election of Mr. Dadabhai Naoroji to Parliament. You know what Mr. Dadabhai has said in his letter to the President, viz., that he has spent the greater portion of his best life in efforts to secure, on the part of the rulers, a better recognition of the claims of natives to admission into the higher grades of the public service in India, and in the House of Commons he intends to do what he can in regard to this affair. Let us, therefore, hope that through the exertion of Mr. Dadabhai Naoroji, and through the exertions of English friends, and through our own exertions, a change will soon be brought about in the present unsympathetic policy of the Government of India; and the Government of India can give us no better earnest of such a change of spirit than a reconsideration and modification of its recent unjust and unsatisfactory orders relating to the Report of the Public Service Commission.

REFORMED AND ENLARGED LEGISLATIVE COUNCILS.

[The following speech was delivered by Mr. G. K. Gokhale at the Congress held at Lahore in 1893 in seconding the resolution on reformed and enlarged Legislative Councils.]

Mr. President, Ladies and Gentlemen,—I have been asked to second the resolution which has been just now put before you by Mr. Mudholkar. The instructions of the Subjects Committee to me are that I should confine myself only to the Bombay Presidency, and I will, therefore, straightway proceed to a consideration of the rules that have been framed for that Presidency. Gentlemen, in regard to these rules, I will not say that they have been deliberately so framed as to defeat the object of the Act of 1892, but I will say this that, if the officer who drafted them had been asked to sit down with the deliberate purpose of framing a scheme to defeat that object, he could not have done better. Let me briefly explain what I mean. There are eight seats that have been thrown open to election in the Bombay Presidency. Of these, two are specifically assigned by the Government of India in their rules, namely, one to the Bombay University and one to the Bombay Municipal Corporation. This leaves six seats, and they have to be disposed of by the

Bombay Government at their own discretion. It is in regard to these six seats that we have every reason to complain ; for the Bombay Government have distributed them in such a manner that it will for all practical purposes have four of the seats at its own disposal. I must tell you that there are four divisions in the Bombay Presidency ; there is, first of all, Sind, then the Northern Division, then the Central Division and then the Southern Division. With these four divisions I think the most natural thing for the Bombay Government to do was to assign one seat to each division, allowing one to the Municipal and Local Boards alternately and so on, and the remaining two seats to the interests of trade and agriculture. Instead of doing that what Government has done is this. It has given two of the six seats to the European Mercantile Community, it has given one to the Sirdars of the Deccan, one to the Zemindars of Sind and only two seats go to the general public of the Presidency. In this matter Government appears to have entirely subverted the right principles of representation and put minorities above the general public, whereas what Government should always do is, first of all, to safeguard the interests of the general public and then take care of the interests of the minorities. I will now proceed to a more detailed consideration of the whole thing. There are three complaints we have to make. In the first place the European Mercantile

Community has got much more than it has a right to, whilst the Native Mercantile Community of Bombay has been entirely ignored. The Bombay Chamber of Commerce gets one member and the Karachi Chamber gets one member. Lord Harris said in one of his speeches that a member was given to Karachi because the Chamber there represented trade interest to the extent of about fifteen crores, but you must remember that the Native Mercantile Community of Bombay has in its own hands trade to the extent of about 50 crores. In spite of that fact the Native Mercantile Community has not got a single member. Then there is another complaint, and that is that the Central Division, which is the most important division of the Presidency, has been left absolutely unrepresented. This division is larger in area, larger in population, larger in the spread of education, —generally larger in every respect, than the other three divisions of the Presidency; but in spite of this the Central Division has not been allowed a single seat. This Central Division has within its limits, Poona, Satara, and other places which are the home of the Mahratta population. With all these interests the division has not been allowed a single representative. Then it will be found if you examine Lord Harris's answers to the various memorials on the subject, that Government takes its stand upon very fallacious principles. Lord Harris said he had to safeguard the inter-

est of a certain class, but he should have remembered that the intentions of the Legislative Act were that the interests of the general public should be first represented, because ninety-nine out of every hundred acts of legislation affect the interests of the general population. The Bombay Council passes laws like the Forest Act, Police Act, and the Abkari Act, all of which affect the interests of the general public and not of the Chamber of Commerce. There was another thing that Lord Harris said in order to justify the representation he had given to the Sirdars and Zemindars, and it was that these persons were supposed to be representatives of the ancient landed aristocracy, but in regard to these two classes we know that there is practically no education among them and that they are more or less under the thumb of the Political Officers and, therefore, election by these classes does not mean the same thing as election by Municipalities and Local Boards. What Government say is this:—that these two classes have got representation because they represent the agricultural interest. I think a greater misrepresentation—I don't mean intentional misrepresentation—of the real state of things could not have been made by His Excellency, because if any class deserves to have its interests safeguarded, it is the peasant class and not the landlords, and the Sirdars and Zemindars represent the landlords and not peasants. The interests of

the latter can only be represented through the Local Boards whose members are elected by the agriculturalists. I believe I have now pointed out the principal defects in the Bombay scheme and I cannot take more time—I must conform to the rules and stop ; but in conclusion I should like to say that this expression of opinion on behalf of this Congress must show the Bombay Government and the Government of India what their failing is and I trust they will take an early opportunity to set matters right.

THANKS TO LORD NORTHBROOK, ETC.

[The following speech was made by Mr. G. K. Gokhale at the Congress held at Lahore in 1893, in proposing the resolution to render thanks to Lord Northbrook for his endeavouring to reduce the Home Charges and praying the House of Commons to appoint a Committee to settle the matter.]

Mr. President, Ladies and Gentlemen,—The resolution I have to propose is as follows:—

“That this Congress tenders its most sincere thanks to Lord Northbrook for his powerful advocacy of India's claim to have her burden of Home Charges reduced, and respectfully entreats the House of Commons to appoint at an early date a Committee of their Honourable House to arrive at some equitable settlement of the matter.”

He said many of you may be aware that in the month of May last a very important debate on this question took place in the House of Lords on a motion brought forward by Lord Northbrook and in the course of that debate many serious and damaging statements were made by responsible statesmen on both sides; so much, indeed, that if ever the Government of the country were put on its trial I should be content to frame the indictment on those admissions. It was admitted during that debate that year after year, in spite of the protests from Secretaries of State and Viceroys of India

burdens were thrown on the Indian exchequer which properly belonged to England. It was admitted by Lord Kimberley that this was because the India Office was powerless against the combined forces of the Treasury and the War Office. Another important statement was made by the Duke of Argyll. His Grace said in a low tone, possibly because he wanted to say it in a whisper, that the people of the country should not hesitate in the matter and that the grievance should be remedied before the impression got abroad in India that there was such a grievance. But the Duke of Argyll does not seem to know that from this very Congress platform, Mr. Wacha has year after year protested against the Home Charges and that long before this Mr. Power, Mr. Nowrojee Furdonjee and other gentlemen raised their powerful voices against this unjust burden. If you look at the Home Charges, particularly during the last thirty years, you will see that the figures have increased from £7,000,000 to £16,000,000, and if you calculate the value in rupees, they have risen from seven to twenty or twenty-six crores. At the same time, it is only fair to state that a large part of this increase is of such a nature that we cannot claim any sort of redress from the House of Commons in regard to it, because there have been loans taken by the Government of India in England and the interest on these must be paid. There are particularly two items in regard to which we have a right to ask for redress and these are the expenditure

incurred in connection with the India Office and that in connection with the Indian Army in England. I will pass over the expenditure in connection with the India Office because although that Office pays, and liberally pays, their respectable and at the same time useless and mischievous old gentlemen, it is comparatively a small matter and may be left for the present. In regard to the Home Military Charges, if you look at the figures for the last thirty years you will find they have risen from £2,000,000 to over £5,000,000 or if you calculate the value in rupees, it is a rise from two crores to eight crores or just fourfold. The Recruiting Charges are a heavy item. The men cost the War Office £19 per head, but India is charged £105 a man. It has been said by no less an authority than Sir Charles Dilke that the whole sum which is about seventy-five lakhs of rupees may be saved if the Indian Government are allowed a free hand and have the right to recruit for themselves. The Stores Charges is a varying quantity. It is never less than about fifty lakhs of rupees and last year it was nearly a crore. It is very discreditable that the War Office charges not merely an extravagant price but it tries to make a profit out of the contracts. As to the Indian trooping services, there are a certain number of ships built at India's expense to bring the soldiers here and to take them back again and the expenditure on them is very great. Now my point is that the British troops might be brought and

taken away like private passengers in other steamers instead of these big ships, which are five months in the year lying idle and mean a very large and useless expenditure. Another item is the payment made to the War Office for pensions to the troops which is about a third of a million. Last year Lord Northbrook raised his powerful voice against it and showed that during the last twenty years England had taken more than four millions beyond what it was entitled to take. There are other items which might be mentioned, but I may say that any one who closely studies the subject will arrive at the conclusion that about a million pounds or one and a half crores of rupees per annum can be saved to the Indian Treasury if there is a more reasonable and more equitable adjustment of the charges. There is a sort of partnership between India and England which strongly reminds me of the dwarf and the giant in Goldsmith's *Vicar of Wakefield*. There have been occasions on which England borrowed troops from India, and there have also been occasions when India had to borrow troops from England. Whenever England borrowed troops she forgot to pay, but when India borrowed them she had to pay all the ordinary and the extraordinary expenses; and in some cases even the charges for recruiting the soldiers had been extorted from India. In regard to all these matters it is but just and right that we should complain and Lord Northbrook is entitled to our best

THANKS TO LORD NORTHBROOK, &c. 543

thanks for his powerful services. In the first place, the resolution proposes to express our best thanks to him for his powerful advocacy of India's just claims and in the second place, it entreats the House of Commons that it will listen to us in an attentive manner and appoint a Committee in order to consider the whole question so that ultimately a fair adjustment of the charges may be arrived at. With these remarks I leave the resolution before you for your unanimous adoption.

SIMULTANEOUS EXAMINATIONS.

[The following speech was made by Mr. G. K. Gokhale at the Congress held at Madras in 1894 in supporting the resolution on Simultaneous Civil Service Examinations.]

Mr. President and Gentlemen,—After listening to so many speeches on this subject, I should not be surprised if you were disposed to revolt against the infliction of yet another at this late hour. All I can say by way of apology is that it is not of my own choice that I come before you to attempt the infliction. Gentlemen, during the last year and a half, this subject of Simultaneous Examinations has been so prominently before us that it has thrown into the shade almost all other questions of current politics, and we might well say about it what Edmund Burke once said of the American question. We have had this question in every shape. We have examined it from every point of view. Our invention has been exhausted. Reason is fatigued. Experience has given judgment. But Anglo-Indian obstinacy is not yet conquered. And remember, Gentlemen, this that we have to conquer is perhaps the worst kind of obstinacy; for it is not based so much on wrong judgment; it is not based even so much on prejudice; it is obstinacy based on the strong foundations of self-

interest and love of domination. Well, Gentlemen, I have no wish to take you over familiar ground, but there are two or three points connected with this controversy which suggest some rather serious considerations, and with your permission I will make an observation or two about them. And the first point to which I would invite your attention is that to which such prominence has been given in the resolution which we are considering, namely, that about an irreducible minimum of Europeans in the service. Gentlemen, when we speak on this point let there be no mistake or misunderstanding. Those who may have read the literature on this subject must have been struck by the fact that till recently British Statesmen, however anxious to lay down some such principle as that now enunciated, have always felt that they could not do so openly, and have always, therefore, thrown a politic veil over the whole thing. Those scruples, however, have now disappeared, that veil has been torn off, and it is this circumstance which fills us perhaps as much as any other, not only with disappointment, but with alarm. The Government of India and the Secretary of State have now authoritatively laid down that a certain minimum number of posts, and those the highest, must always and for all time to come be held by Europeans; and most of the local Governments have supplied a cue to this proposition by saying in their despatches that that minimum has now been reached.

The doctrine of the Government of India and the Secretary of State, therefore, means that the present arrangements should be perpetuated, and is, in fact, an attempt to keep us always under as a subject race. Gentlemen, is it not plainly our duty as men not to allow this barefaced attempt to succeed? Some of our opponents often say:—"But you are a subject race." Now all that I would say to such men is this, "We know we are a subject race, and the consciousness is humiliating enough; and they are not good friends of the Empire who indulge in the pastime of needlessly reminding us of the fact." It is true that England has come here as a conqueror, but she has of her own accord solemnly pledged herself not to hold the country as a conqueror. Let our opponents put themselves into our position, and then say what they would feel. I believe they will allow that it is not wrong to love one's country. I believe they will allow that it is not wrong to have a high ideal for one's country. And then I believe they will allow that it is not wrong for us to be dissatisfied with our present condition. Well, Gentlemen, the pledges of equal treatment which England has given us have supplied us with a high and worthy ideal for our nation; and if these pledges are repudiated, one of the strongest claims of British rule to our attachment will disappear.

Another point to which I would invite your attention is this. It is often stated that if Simultaneous

Examinations were granted, the Bengalis would swamp the entire service, and that this result would be resented by the people of the other parts of the country. Now, Gentlemen, in the first place this assertion does grave injustice to the people of other parts. I believe most of us can hold our own even against Bengalis. But assuming for the sake of argument that that would be the result, what then? Are not the Bengalis nearer to us than the Europeans who have at present a monopoly of the service? We have at present in the Bombay Presidency a Bengali gentleman as a Sessions Judge. Now, there may be abler men in the service, but one more respected by the people, or regarded with greater feelings of affection, is nowhere to be found. Then, Gentlemen, our opponents often say that the relations between Hindus and Mahomedans in this country are such that Hindus will not submit to the authority of Mahomedans, or Mahomedans to the authority of Hindu Collectors and Judges. But let those who rashly encourage such feelings beware of what they do. For if once such feelings were to prevail generally what would there be to stand in the way of their application to the case of smaller officers also, such as Tahsildars, Subordinate Judges and Police Officers? And then the task of Government would be impossible, unless, indeed, the country were cut up into two camps and the Hindus shut up in one and the Mahomedans in the other. Then,

Gentlemen, it is often urged that the Provincial Service has been specially constituted for us and that we should be satisfied with it. Well, all I can say in regard to Provincial and Statutory Services is that they can never satisfy the people. Take, for instance, the Bombay Provincial Service. I have paid some close attention to this subject, and I have no hesitation in saying that, as at present constituted, it is a disgrace to the Government and an insult to the people. There is not a single redeeming feature in it. I will give you only one illustration. Take the standard that the Bombay Government has prescribed for the Competitive Examination for this service. Remember, Gentlemen, these members of the Provincial Service are one day to be appointed to the posts detached from the Covenanted Service and thus placed on a level with men who have passed the London Civil Service Examination, which is perhaps the stiffest examination of any that we know of. And yet what is the standard of education that the Government of Bombay has proposed for the competitive test? The Government of Bombay proposed that these men should know English sufficiently to understand official Reports. This is all they want. As regards the second language there is no classical language, Sanskrit, Persian, or Greek. All that is expected of these men is that they should show a moderate acquaintance with one of the vernaculars of the Presidency. Perhaps you may say

if the literary side is defective, the mathematical side is strong. These men are probably required to pass an examination in differential and integral calculus. No ! nothing of the kind. These men have to pass an examination in Arithmetic up to simple interest not compound interest, Algebra up to Simple Equations not Quadratic Equations, and the first two books of Euclid. This is all the Mathematical test. These men are one day to take their places by the side of men who have passed the London examination, one of the stiffest and severest examinations, equivalent to the M. A. examination. When these men come to be appointed to these posts, is it possible for them to command respect ? Is it possible for them to respect themselves ? The whole of the Provincial scheme of the Bombay Government is so utterly ludicrous that it is impossible to believe that it emanated from a responsible Government. All that we say, therefore, is that no solution of the question based on a Provincial Service will ever satisfy us. Taking a dispassionate view of the whole situation, we have every right to urge that Simultaneous Examinations ought to be granted to us, and I am glad to say that, taking all things into account, there are good grounds for hope. It may be that for a moment we have been cast down by defeat, but the circumstances to-day are more encouraging than they were several years before when our leaders fought singlehanded for the Indian people to get the conces-

sion we have been praying for. Whatever may be said of the Madras Government, and in whatever way the officials of that Government may now act, the despatch of that Government remains a document of which the Madras people may well be proud. We have the resolution of the House of Commons. Lastly we have a strong public opinion becoming stronger and stronger every day, which may inspire us to continue the fight which is bound to be a long and arduous one, in behalf of generations yet unborn.

SALT DUTY.

[The following speech was made by Mr. G.K. Gokhale at the Congress held at Poona in 1895 in moving the resolution on the reduction of the Salt Duty.]

Mr. President, Ladies and Gentlemen,—The resolution, which I have to move for your acceptance, is one which, fortunately for you, fortunately for me, and especially, fortunately for the President, does not require much to be said in its support. That resolution runs as follows :—

“That this Congress tenders its thanks to the Secretary of State for India for his promise of September last to take an early opportunity to reduce the Salt Duty, and, concurring with previous Congresses, once more places on record its sense of the great hardship which the present rate of salt taxation imposes upon the poorest classes of the country—a hardship which renders it incumbent on Government to take the first opportunity to restore the duty to its level of 1888.”

Gentlemen, some of you may remember that in September last, on the occasion of the so-called debate on the Indian Budget in the House of Commons, the present Secretary of State for India was pleased to make a frank admission that the salt tax pressed very heavily on the poorer classes of India, and he assured the House that he was anxious to take the earliest opportunity afforded by the finances of the country to reduce that pressure, so as to restore the tax to its old level of

Rs. 2 a maund. Well, Gentlemen, we propose that for this sympathetic utterance, the best thanks of the Congress should be tendered to Lord George Hamilton. At the same time, Gentlemen, I regret to say that our feeling of thankfulness is not as unalloyed as one would wish it to be. For within the last few days, the sky has been overcast again. And a recent telegram of Reuter's has brought to us the ominous tidings that the Secretary of State has given a similar, indeed, if anything, a more emphatic, assurance to a deputation of Manchester merchants in the matter of the removal or reduction of the import duties. Now this is very serious news indeed. For anyone who knows anything of English politics knows full well that if the Indian ryot has to compete with the Manchester merchant for securing first financial relief, the poor ryot has no shadow of a chance in the matter. The competition is so fearfully unequal that he is bound to go to the wall. For, Gentlemen, how are the two parties to this competition circumstanced? On the one hand, you have the Manchester merchant who is a past master of the art of kicking furiously when the slightest attempt is made to touch his pocket, owning large money bags and with a powerful voice in the making and unmaking of Cabinets. On the other hand, you have the starving, shrunken, shrivelled-up Indian ryot, toiling and moiling from dawn to dark to earn his scanty meal, patient, resigned, forbearing beyond measure, entirely voiceless

in the parliament of his rulers, and meekly prepared to bear whatever burdens God and man might be pleased to impose upon his back. Gentlemen, under these circumstances, there is only too much reason to fear that when the time for action arrives, the Secretary of State will first try to conciliate the merchants of Manchester before fulfilling his promise to the Indian people of September last. But whatever he does, I think even the most bigoted advocate of Manchester selfishness dare not deny that so far as moral claims to first relief are concerned, those of the poor Indian ryot are irresistibly superior. A few facts will make my meaning clear. In 1882, *i. e.*, before the salt duty was reduced to a uniform rate of Rs. 2 a maund, the consumption of salt in India was about 2 crores 90 lakhs of maunds. In that year the duty was reduced all round to Rs. 2, and consumption at once began expanding. And this consumption stood at 3 crores 37 lakhs in 1887 when Lord Dufferin again raised the duty to Rs. 2-8 a maund. What was the result? The expansion of consumption which had gone on so steadily during Lord Ripon's time at once ceased. And since that year up till now—*i. e.*, during a period of 8 years, consumption has remained absolutely stationary, the figure for the last year being 3 crores and 41 lakhs of maunds, *i. e.*, only 4 lakhs of maunds more than in 1887. Gentlemen, we thus find that while under Lord Ripon's reduced duties, the consumption increas-

ed in 5 years by about 50 lakhs of maunds, under Lord Dufferin's enhanced duties, it increased by only 4 lakhs in a period of 8 years. But this is not all. Population during all these years has been steadily increasing—roughly speaking at the rate of 1 per cent. every year. And when you take that factor into account, you will at once see that consumption has actually gone back during these 8 years. Gentlemen, I will present these same figures to you in another form. Eminent physicians have laid down that for healthful existence the annual consumption of salt must be at least 12 lbs. per head. Now, during the administration of Lord Lawrence, elaborate inquiries were made in the matter and it was ascertained that the consumption per head at that time was about 12 lbs. per head. After that, it began to decline, till at the end of Lord Lytton's régime, the average figure per head stood at about 9 lbs. Then came the beneficent administration of Lord Ripon. And the duty on salt was lowered, as I have already mentioned, to a uniform rate of Rs. 2 a maund. Consumption consequently went up by leaps and bounds and in 1887 the average per head stood at $10\frac{1}{2}$ lbs. The enhanced duties, however, have once more put back the figure, and last year it stood at only $9\frac{1}{2}$ lbs. per head. Well, Gentlemen, all these figures show that the enhancement of the duty in 1888 has caused a fearful amount of hardship to the poorer classes of India, and this cannot in any way be said of the import

duties. All must admit, therefore, that the case of the poor consumers of salt in India is very much harder than that of the Manchester merchants. If, therefore, there is such a thing as justice in the world, if there is such a thing as humanity in the world, if there is such a thing as a moral obligation in the world, the Secretary of State must give the first benefit of an improvement in the finances of the country to the Indian ryots. If, however, he were to act otherwise, and allow the selfish cry of Manchester to override the best interests of the Indian people, I make bold to say that he would be guilty of grave administrative iniquity,—I had almost said, of a grave political crime.

FAMINE RELIEF.

[The following speech was made by Mr. G. K. Gokhale at the Congress held at Calcutta in 1896 in supporting the resolution appealing to the Government to apply the Famine Insurance Fund more largely to the immediate relief of the famine-stricken people.]

Mr. President, Brother-Delegates, Ladies and Gentlemen,— After the exhaustive speeches to which you have already listened, I am quite sure that you would feel grateful to me if I were to support this Resolution in the fewest words possible, and I can assure you that I have no desire whatever to take up a single unnecessary moment of your time. I will, therefore, proceed at once to the subject. My first point, Gentlemen, is this, that the responsibility that now rests upon the Government of India to administer famine relief is not merely a moral obligation, but is a legal obligation also. There was a time when Government held that it was no part of its duty to bring relief to the distressed people, and that the Government would leave the natural economic laws to work out their own relief; happily, however, that time has long past, and the Government has now made the fullest and amplest admission of its responsibilities. But, Gentlemen, we do not take our stand upon the Famine Code alone.

There is a Famine Insurance Fund, and that, in my opinion, constitutes another and, if possible, a stronger claim on the relief of Government. But the gentleman who just proceeded me has taken you into an elaborate history of this Famine Insurance Fund. I will, therefore, confine myself only to one or two observations on this subject. The first thing I want to say is that during better years we have paid to Government as Famine Insurance a sum equal to 25 crores of rupees. It is no business of ours to consider how this sum has been spent. We know that the greater part of it has been misapplied. We know that from 4 to 6 crores have been misappropriated into the general exchequer of the nation. Our contention is, that we have paid this money in order to be insured against famine. But, Gentlemen, I am very sorry to say that this contention does not seem to be adequately realised by the Government of India, and by some of the provincial Governments. We have, in the first place, a Viceroy who is, I might say, almost irritatingly optimistic, and there are some of the Local Governments, notably the Government of the Central Provinces, that have been practically slumbering up to the present moment. Speaking for the Bombay Presidency, I must say our Government is not so bad as the Government of the Central Provinces. The ruler of the Bombay Presidency—Lord Sandhurst—is personally a very sympathetic and well-meaning ruler,

but I am afraid I cannot say exactly the same thing of some of his advisers. The result is that the measures of relief fall far short of the requirements of the situation. Mr. Surendra Nath Banerjea who moved this Resolution told you how entirely inadequate the rations were and how oppressive the task-work was of these famine-stricken labourers. I will give you one instance of this which will illustrate the whole matter. Recently the Political Association at Poona has been in correspondence with Government in regard to relief work, and I must tell you that the relief work is mismanaged in the most shameful manner possible. About five or six weeks back there were about 1,800 labourers; no sheds had been provided for them, and they had to sleep in the open fields at night. Then, Gentlemen, the sanitary arrangements provided for them are woefully defective. Then the work expected from these poor people is too much; the men are starving, and the result is, they are unable to do the quantity of work expected from them. The hours of work are also far too long, the roll-call is sounded at 6 in the morning and the work goes on till 6 in the evening, with an interval of about an hour at noon. All these points of mismanagement were recently placed before the Government of Bombay, but the Government of Bombay replied in rather a curt manner, that if there was an aggrieved party it was open to that party to lay a complaint before the Government. These

poor creatures have fled from starvation and death, these poor creatures are starved also on the relief works, and when complaints of their treatment are made to the Government, they are coolly told that if they are not satisfied they may complain to their superior officer, or if they prefer it leave the work. Every possible care is taken to put the best appearance on the works when the superior officers visit and inspect them. The result is that there is practically no appeal, and these poor people have to suffer. Now what have been the consequences of all this mismanagement? One result has been that large numbers of those who resorted to these relief works have left them in search of food elsewhere. Gentlemen, the hon'ble proposer of this Resolution has already told you that the wages paid to these poor creatures are less than those paid to convicted criminals in jail in ordinary times. We all know that it is perfectly demoralising for able-bodied people to receive gratuitous relief, but at the same time why should these poor creatures who through no fault of their own are suffering from famine be called upon to break stones for twelve hours a day and be paid at a lower rate than criminals in jail? Well, there is another point upon which I wish to say a few words. Speaking for my own Presidency, I will tell you that the feeling in official circles is that, as far as possible, no remission should be granted with respect to Government revenue.

The argument seems to be something like this, namely, that the people are already exposed to so much distress and suffering that it will do them no harm to bear a little more on account of Government revenue. It is, I think, perfectly shameful that the Government should take up an attitude like that. The Hon'ble Mr. Justice Ranade at Bombay the other day gave a vivid picture of famine; he said that the fearful mortality was not the only evil famine brought in its train; the highest impulses in the human heart are dried up and the progress of the people retarded by a generation; for during the time the famine lasts the people are swayed by one appetite only. We are appealing from this platform to Government not to stand in the way of English charity, and I have no doubt Government will have to appeal to English charity just as in 1877, and I am sure when that appeal is made English charity will freely flow into the country. We know that about a crore of rupees came into this country from England at that time, and I am quite sure that England is likely to prove more generous now even than it did then. But then the fact that we are appealing from this platform to English charity, I say, enforces upon us also a great responsibility. It is not sufficient that we should appeal to the charity of the ruling nation alone; we should also send out an appeal from ourselves to ourselves. Much greater is the necessity of our own people coming

forward in order that as much relief as possible may be brought to these famine-stricken people. On my side of India there are some very bright examples of private charity. At such a terrible crisis as this the rich and the poor, high and low, should come forward to bring help and consolation in order that as many lives as possible might be saved, and in order that the evil effects of the famine might be averted as far as possible. We must remember, therefore, that it is not sufficient to appeal only to English charity. Help may be rendered in many other ways; visits should be made to relief works in order that it might be discovered exactly how it is the poor starving people do not get the things promised to them by Government. I know Government will not like that sort of thing, but that is no concern of ours. The voice of duty is there—it is giving the word of command—let us see how we can obey that voice and rise equal to the occasion.

SURPLUSES.

[The following speech was made by the Hon. Mr. G. K. Gokhale at the Congress held at Bombay in 1904 in moving the resolution referred to below, appealing for the reduction of taxation in view of large and recurring surpluses obtained by the Government of India for a period of six years.]

Mr. President and Fellow-Delegates,—I beg to move the following resolution :—

(a) "That in the opinion of this Congress, the large and recurring surpluses of the last six years—amounting in all to about twenty millions sterling—so far from being the result of any increased prosperity of the people, are only an indication of the fact that the level of taxation in the country is maintained much higher than is necessary, inasmuch as these surpluses have been rendered possible mainly, if not exclusively, by the artificial appreciation of the rupee and the consequent saving of between three and four millions a year on the Home remittances of the Government of India."

(b) "That both for the sake of giving relief to the classes which have suffered most from the currency policy of the Government and to remove from the path of Government a direct temptation to increase expenditure, which the existence of large surpluses year after year undoubtedly constitutes, this Congress strongly urges (1) a further reduction in the salt duty, (2) a reduction in the land revenue demand of the State in those Provinces where the Agriculturists have had a series of calamitous years, and (3) the abolition of the excise duties on cotton goods."

(c) "That till such reduction is effected, the Congress urges that part of the surpluses be devoted to purposes which would directly benefit the people, such as the promotion of scientific, agricultural, and industrial education, and increased facilities of Medical relief, and that the rest be employed in assisting Local and Municipal

Boards, whose resources have been seriously crippled by famine and by the annual recurrence of plague to undertake urgently-needed measures of sanitary reform and the improvement of means of communication in the interior."

Gentlemen, for the last six years, a most extraordinary phenomenon has been witnessed in this country. The Account Sheet of the Government of India has been showing a succession of very large surpluses, such as were beyond the wildest dreams of the Finance Ministers of previous years. If you take the last six years, you will find that the total of the surpluses comes to about thirty crores of rupees and this in spite of the fact that these six years include two of the most disastrous famines that this country has ever known. If you take the six years immediately preceding, you will find that not only was there no surplus at all but that there was a total deficit of two crores. A deficit of two crores turned into a surplus of thirty crores—this marks the extent to which the financial position has shifted—this indicates the startling change which has come over the finances of the country. And the question naturally arises, who has wrought this miracle? What has brought about this change? Some indeed may exclaim—"Oh, it is the Viceroy," and I dare say there are people innocent enough to accept this explanation as satisfactory. But not all will be so easily satisfied and many of us would certainly like to look into the question a little

more closely. Gentlemen, to my mind the real explanation of these surpluses appears to be so simple and it lies so clearly on the surface that I am astonished it should be necessary for any one to point it out year after year, and if only those who are in authority were a little less wanting in candour the facts of the situation would be freely admitted at once, whatever conclusions different people might deduce from those facts. Well, what has been aptly termed the golden era of the Indian administration—the Viceroyalty of Lord Ripon—came to a close in 1884. That was a period when frontier troubles were kept in check, taxation was reduced, local self-government, education and such other reforms were taken in hand, the natural aspirations of the educated classes encouraged and everything done to promote the internal progress of the country. Now, Lord Ripon left us in 1884, and from 1885 the military problem began to dominate the situation. Almost simultaneously with this, exchange began to give trouble to the Government of India. And between growing military charges and a falling exchange, the Finance Ministers of the country had for a period of nearly 12 years practically no rest, the greatest difficulty being experienced in making the two ends meet. The Government of India, however, was sternly determined to adhere to the ordinary canon of finance that the year's charges should come out of the year's revenue, and thus a

series of measures were adopted to increase taxation and secure relief in other ways, of which the income-tax, the enhancement of the salt duty and the re-imposition of import duties, with a countervailing excise on cotton goods, were the principal ones. There were, moreover, the automatic periodical enhancements of the Land Revenue demand of the State; and last, but not least, there was the closing of the mints to the free coinage of silver, which, though it brought relief to the Finance Ministers of the country and to the European officials who had to make remittances to England, largely depreciated at one stroke the small savings in silver of millions and millions of our poor people. The result of all these measures was to push up the level of taxation so high that even in the worst days of the exchange difficulty the Government of India was able not merely to maintain a budgetary equilibrium between revenue and expenditure but also to provide for a surplus. The worst year from the point of view of exchange was 1894-95, when the rupee touched the lowest level ever known—namely, 13*d.* and yet even in that year the Account Sheet of the Government of India showed a surplus of 70 lakhs. Shortly after that, the closing of the mints began to have effect and the exchange value of the rupee began to rise and the rupee finally established itself firmly about seven years ago at 1*s.* 4*d.* And from that time commenced the era of large surpluses.

Now, Gentlemen, I will tell you briefly how the surpluses have arisen. The Government of India has to spend every year more than $\frac{1}{3}$ of its net revenue in England and this expenditure is known as the Home Charges. To-day the *net* revenue is about 65 crores and the Home Charges stand at 18 millions sterling or about 27 crores. The revenue of the Government of India, however, is raised in silver and the expenditure in England has to be met in gold; therefore the amount in rupees which the Government of India has to remit to meet this expenditure depends upon the state of the exchange value of the rupee. I have already said that the Home Charges to-day stand at about 18 millions sterling, but they have not always stood at that figure. During the last 6 years they have ranged between 16 and 18 millions. So for the purposes of our calculation, we may take them at an average of 17 millions. Now let me give you a simple sum in Arithmetic. If you have to remit 17 million pounds to England, when the rupee stands at 13*d.*, how many rupees are required for the purpose? Well, you may take the calculation from me—the number of rupees required is about 31 crores. Again take another sum. How many rupees are required to remit the same 17 millions sterling at 16*d.*, to the rupee? You will find that this time you require about 25½ crores only. With the rupee at 16*d.*, therefore, the Government of India spends about

5 crores less on its Home remittances than when the rupee stood at 13*d.*, and as taxation had been pushed up so high as to secure not merely an equilibrium between revenue and expenditure but also a surplus of 70 lakhs when the rupee stood at 13*d.*, it is quite obvious that with this saving of nearly 5 crores of rupees on the Home remittances, the Government of India should show year after year an average surplus of 5 or 6 crores. And this is exactly the present position. A total surplus of 30 crores in 6 years means an average surplus of about 5 crores a year. But the good fortune of the Government of India has not ended here. The opium revenue, which is one of our largest items of income and which is contributed to our exchequer by the foreign consumer—the Chinaman—began to decline about the same time as exchange. At one time this revenue was about 10 crores a year, then it went down to 8, then to 7, and about 7 years ago it reached its lowest level, namely, about 5 crores of rupees. Since then, however, there has been a recovery again, and it has again gone up to about 7 crores. It was this improvement of 2 crores in opium revenue which enabled the Government of India two years ago to reduce the salt duties and raise the taxable minimum of the income-tax and yet retain its surplus of 5 crores a year. This, Gentlemen, is briefly the real history of our recent surpluses. Of course there has been some improvement of a normal character under some of the heads

of revenue which I have not taken into consideration on this occasion, because it has been absorbed by what may be termed the normal growth of expenditure, which is inevitable in the Government of a country like India.

Now I want to know what there is in either a saving on the Home remittances or an improvement in the opium revenue, contributed by the foreign consumer, which has any the remotest relation to the prosperity or otherwise of the people of this country. And yet we have been told again and again by those who ought to know better that our recent surpluses are a conclusive proof of the increasing prosperity of our people. Of course, no one actually says that the surpluses are the direct result of an improvement in the condition of the people—a statement like that would be a downright misapprehension—but what they say is that the surpluses indicate in some way the prosperity of the people. When you press these authorities for a more definite proof of the correctness of their contention, they point to certain increases of revenue under certain heads. Thus our Finance Minister, Sir Edward Law, argued last year that a certain increase of revenue under customs and another under excise were sufficient evidence of the soundness of the official theory. But are they really so? Our venerable friend, Mr. Samuel Smith, whom we are all glad to see on the platform, will tell you that an in-

crease of excise revenue is no indication of the increasing prosperity of the people. It no doubt means increased drunkenness in the land, which means increased misery—a smaller margin for food and clothing for wives and children—but it cannot be accepted as indicating an improvement in the condition of the people. As regards the increase under customs, that is partly due to the currency legislation of the Government. For it is well known that a lower exchange operates in favour of the exporter and the Home producer, whereas a higher exchange operates in favour of the importer and the foreign producer. But in addition to this, there is another cause constantly working to increase our imports. Railway construction has been going on for years past at a rapid pace, and with every mile of railroad opened, new markets are also thrown open to foreign manufactures, which displace corresponding quantities of home-made articles. This economic revolution, which has been going on for many years past and which is throwing the country more and more upon the single precarious resource of agriculture, is now reaching an acute stage, and is largely responsible for our growing imports. And I venture to think that while we have reason to regard this state of things with anxiety and alarm, we cannot subscribe to the view which looks upon the situation with any great satisfaction. But, Gentlemen, because I hold that the figures of revenue under excise and customs do not afford a

reliable test of the increasing or diminishing prosperity of the people, I do not mean to say that there are no branches of revenue, which supply a fairly accurate measure for purposes of comparison in the matter. I think that there are two sources of revenue, the proceeds of which may be regarded as fair indications of the material condition of the people—the income-tax for the upper and middle classes and the salt duty for the lower classes of our community. And the revenue under both these heads has been virtually stationary. Indeed the proceeds of the salt duty have not even kept pace with the growth of population during the last decade. So far, therefore, as the state of the revenue furnishes any indication, it is not in favour of the official theory; but there is another piece of evidence which, if anything, is even more conclusive. Our local bodies—Municipal and Local Boards—raise their revenue by taxation just as the Government of India does, and if the increased prosperity of the people is giving prosperous budgets to the Government of India, it should also do the same in the case of the local bodies. Whereas, as a matter of fact, these bodies, over the greater part of the country, are in a state of chronic destitution and some are even threatened with bankruptcy, pure and simple, unless the Government comes to their assistance. This shows, how idle it is to talk of the surpluses of the Government of India being due

to an improvement in the material condition of the people.

One more observation I would like to make in this connection. In a speech which the Viceroy made the other day at the Lord Mayor's banquet in London, he claimed that, by whatever test it might be judged, the wealth of the country would be found to have increased during the last six years. Now, this is a statement too bold even for the Viceroy of India to make. Since Lord Curzon challenges us to apply any test we like, there is one that I would propose to apply. It was once computed by so competent an authority as the late Mr. Ranade that the annual saving of the people of India cannot exceed, on an average, about 8 crores of rupees. Now when Mr. Ranade's name is mentioned in connection with any proposition, you may take it, that the statement is under rather than above the mark. I will tell you briefly how his calculation was made. He took for the average income of the people of India, the figure arrived at by Lord Cromer and Sir David Barbour, and he took for our average expenditure a scale of living very slightly higher than that of the famine labourer, but not so high as that which the Government provides for the convicts in its own jails. A whole population living on a scale lower than that of convicts in jails—this surely is not a very extravagant scale of expenditure. And on these bases Mr. Ranade came to the conclusion that our annual saving

cannot be more than 8 crores at the outside. Well ! I will take it at 10 crores for Lord Curzon's sake. This means that, during the last six years, there has been an increase in our wealth of about 60 crores of rupees. But it has been calculated by a competent Famine Commission that the losses of our people in crops and cattle during recent famines have amounted to 300 crores of rupees which means that we are still on the wrong side of the account to the extent of 240 crores ! This does not look as though our total wealth has been increasing in recent years. The truth, Gentlemen, is that it is an exceedingly difficult thing to determine whether a people's material condition is going forwards or backwards in such a brief space of time as six years, and all sweeping generalizations, from whatever quarter they may come, must be deprecated.

So far, Gentlemen, I have dealt with the origin of our recent surpluses and the interpretation which those who are in authority have been pleased to put on them. The next question which arises is what is the duty of the Government in view of these surpluses ? I think that duty is clear. It is to reduce taxation and give relief to those classes that have been hit the hardest by the currency legislation which has rendered these surpluses possible. The principal sufferers by the artificial appreciation of the rupee are the agriculturists, who form the vast bulk of our population. Not only have their small savings in silver been largely deprecia-

ted, but as prices get adjusted to the new rupee, they will have to part with a larger and larger quantity of their produce to make their fixed cash payments to the Government. On this point no difference of opinion ought to be possible, and we are entitled to ask that the margin of revenue over expenditure that is now available should be utilized to grant whatever relief is possible to our agriculturists. The resolution which I have read out to you proposes three forms of relief—a further reduction of the salt duty, a reduction in the land revenue demand of the State in those Provinces where there has been a succession of calamitous seasons and the abolition of the excise duty on cotton goods. I think, Gentlemen, these are eminently reasonable proposals. The salt duty is in the nature of a poll tax and our poorest classes must benefit most by its reduction. As regards land revenue, you have no doubt perused with satisfaction a recent paper of Mr. O'Connor, in which he has advocated a general reduction of 33 per cent. or so. We do not go as far as Mr. O'Connor—we merely ask that as much reduction as the state of the finances permits be made in the land revenue demand in those Provinces which have suffered during the last decade from a succession of calamitous seasons. The abolition of the excise duties also must benefit the poorer classes of our community, since it is they who consume the coarser fabrics which the Indian mills turn out,

and the duty that is levied, though, in the first instance, paid by the producers, must eventually fall on the consumers. Gentlemen, I am aware that in this matter the Government of India is not a free agent and that Lancashire effectually blocks the way. It only shows how a Viceroy who is all-powerful in dealing with the Indian people is absolutely powerless against a single English constituency. But our demand is just and, we must continue to press it on the attention of Government, however small may be our chances of success.

Gentlemen, it may be said that now that the Government of India has this large surplus year after year, it would be a pity to sacrifice it in giving relief to the tax-payers as proposed, and that it would be a much wiser policy to utilize it for objects of national advancement. I am not prepared to say that there is nothing to be said in favour of this view, but I am old-fashioned enough to believe that, after all, the best use to which a surplus can be put is to utilize it for reducing taxation and let the money fructify in the pockets of the people. In all countries, a large surplus at the free disposal of the Government is a temptation to that Government to increase expenditure. In India, there are special circumstances which go to emphasize this evil. Of course if the Government will devote the surplus to the objects specified in the resolution, namely, for the promotion of industrial, agricultural

and scientific education in the land, for providing increased facilities of medical relief and to assist local and Municipal Boards in undertaking urgently needed measures of sanitary reform and the improvement of communications in the interior—the people might be reconciled to the present level of taxation, which has been maintained after the need for it has passed away. But I do not think there is any great chance of this being done, and I fear the surpluses will continue to be employed as at present—namely, either to increase the cash balance at the disposal of the Government, or for Railway construction under capital account, thereby avoiding a portion of the Public Works Loan, which is raised every year, or to reduce debt. And this will go on, until the expenditure is so increased as to overtake the revenue. I think, therefore, that the safest course for us is to insist on a reduction of taxation.

Gentlemen, it was more than sixteen years ago that I first imbibed a love for the study of financial questions at the feet of my great master, Mr. Ranade, and since then, I may claim to have been a fairly close student of Indian finance. Never before—and I make the statement after due deliberation—was the financial position of the country so disquieting as now. This plethora of money at the disposal of the Government makes an irresponsible administration still more irresponsible. It enables the Viceroy to dispense in the

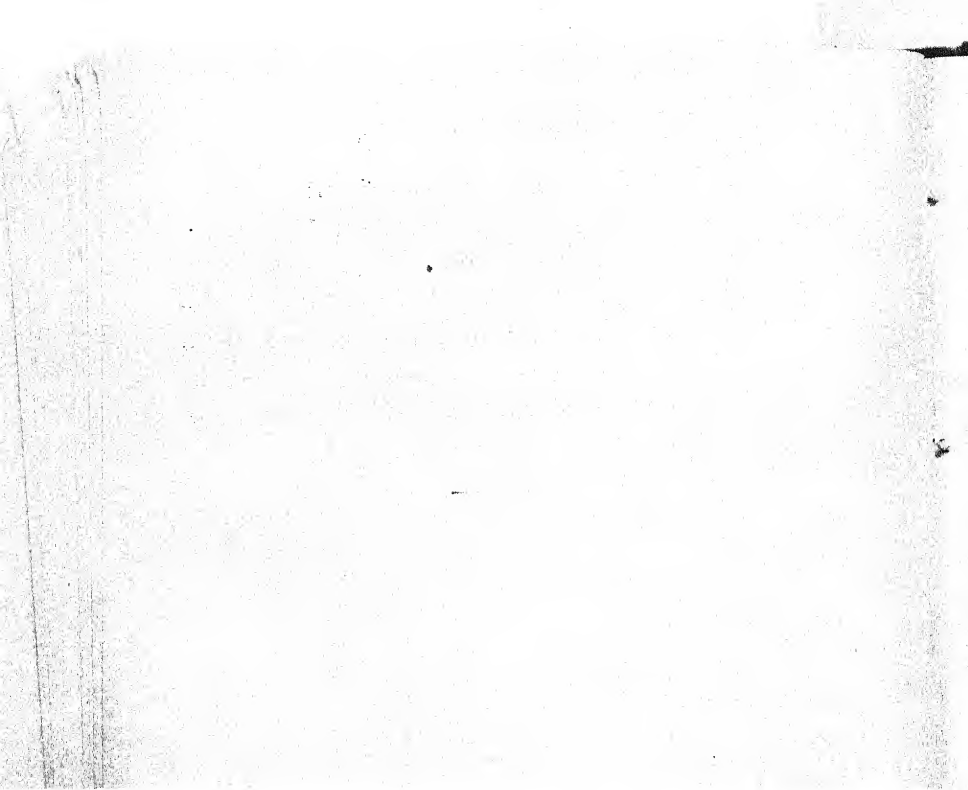
style of a great oriental ruler, special aids to Local Governments out of his own abundance as acts of grace, to send expeditions under the name of Political Missions into the territories of helpless farmers and priests, to undertake large schemes of Army reorganization and to listen to 'the conceivings of his vast designs' playing a great rôle in the heart of Central Asia. It enables him to do all these things and yet escape that particular unpopularity which attaches to all measures of additional taxation, such as he would have had to resort to had there been no surpluses at his disposal, and which, in a country like India, is the only check—however feeble and indirect—on the extravagance of the Administration. Then these surpluses constitute a direct temptation—as we have recently seen—to the Government in England to come forward with proposals to pass on to the Indian Exchequer charges which ought to be legitimately borne by England. And here again we have seen how a Viceroy, who is all-powerful in dealing with us, is practically powerless to prevent such injustice. Further these surpluses enable our friends over the way to represent that everything in India is as it should be and that all talk of grievances is manufactured by interested agitators for their own purposes. Finally I object to these surpluses because, I think, they are morally wrong and indefensible—that the Government has no right to retain them.

The Government has all through adhered sternly—aye, relentlessly—to the canon of finance that the year's charges should be met out of the year's revenue, and for this purpose, on every occasion of a deficit that arose, additional taxation was put on so as to secure a surplus even in the worst days. Having done this, what right has the Government to retain taxation at the level to which it was forced up by successive additions, now that the need for such a high level has passed away? Thirty crores of rupees taken from the people in six years beyond what the Government actually required! Gentlemen, just consider what this means. Let me recall to your minds a statement which the Viceroy made last year in the course of the debate on the Universities Bill, which then struck me as harsh, I had almost said ungenerous, and which is still ringing in my ears. I had said in my Minute of Dissent that, if our Universities were to be turned into teaching bodies and University chairs instituted for the purpose, the money in the present state of things in India would, for some time to come at any rate, have to be found by the Government. Referring to this observation of mine, Lord Curzon said—I well remember the words—"Exactly. But will the Hon. member tell me, why? There is plenty of money among his own people. Then why does he not look to them, why does he look to the Government for the money which is needed for instituting University

chairs?" Gentlemen, the Viceroy spoke as though the money at the disposal of the Government had not been contributed by our people, as though it had been brought here from beyond the seas! But these thirty crores taken beyond the requirements of the Government—that money at any rate is ours! And if only the Government of India will restore it to us or spend it in the directions we suggest, how greatly will the best interests of our people be promoted! Why, with one crore out of that, we could launch into existence that Institute of Research which poor Mr. Tata laboured—and perhaps laboured in vain—to create, and over which I fear he broke his heart! With another crore, we could wipe off those plague loans which are hanging like mill-stones round the necks of so many of our local bodies! With a few more crores, we could enable these bodies to take in hand urgently needed measures of sanitary reform, which, in their present condition of destitution, it is hopeless ever to expect them to undertake! I think this is an infinitely better way of using the surpluses than the stereotyped "reduction or avoidance of debt" and the increase of cash balances.

Gentlemen, I do not wish to detain you longer. The present policy of maintaining the revenue at a higher level than is necessary and then forcing up expenditure so as to overtake the revenue is absolutely unjust in principle and indefensible in practice.

Against this policy, we, in Congress assembled, enter our most earnest and emphatic protest. It may be that our protest will go unheeded. I, for one, do not think that it will. I have a feeling of faith that it will produce its effect, if not now, on a future occasion. And in any case,—whether it is heeded or not—it is better to have protested and borne than not to have protested at all.



PART III.

PERSONAL.

MR. A. O. HUME.

[The following is the indirect version of a speech delivered by Prof. Gokhale at a public meeting in Poona for bidding farewell to Mr. A. O. Hume.]

Mr. Gokhale began by saying that it was a high privilege to be asked to offer welcome to so eminent a benefactor of India as Mr. Hume, and the welcome that he offered was offered not only on behalf of the people of Poona, but in the name of the entire Deccan, representatives from the various districts of which had thought it their duty to be present on that occasion. It was impossible for him to adequately express how deeply grateful they all felt to Mr. Hume for the immense sacrifice of personal comfort and convenience at which he had snatched, in his indifferent state of health and after a very fatiguing journey, a few hours to gratify their dearly cherished wishes and honour their city with that visit. The speaker, however, wanted to say that no one was surprised at the trouble Mr. Hume had taken ; because his conduct in that matter was only in keeping with that absolute dis-

regard of self which had all along been the guiding principle of his life. Mr. Gokhale was aware that nothing was more repugnant to Mr. Hume than any demonstration or even an expression of the feelings by which he was regarded by the people of the country ; but he would ask him to remember that, when the gratitude of the heart was deep and strong, it gave an irresistible impulse to the tongue to speak. And if, therefore, in what little he intended to say, he appeared not to act quite in accordance with Mr. Hume's wishes, he trusted Mr. Hume would excuse him on the ground that what he wanted to say came straight from the heart and there was no art about it. Any one who compared the India of to-day with what she was seven or eight years ago, would at once realize the enormous nature of the services rendered by Mr. Hume to the country. All that the Indian National Congress had done during the seven years of its existence was principally Mr. Hume's work. What it was exactly that the Congress had achieved it was unnecessary for the speaker to state at length, firstly, because that question had been repeatedly dealt with in an infinitely abler and more eloquent manner than any he could ever hope to attempt by successive Presidents of past Congresses, and secondly, to speak of that in the presence of the Father of the National Congress was something like holding up a candle-light to the face of the eternal and glorious source of all

light. Mr. Gokhale, however, wanted briefly to refer to four results which were principally due to the Congress. Firstly, the Congress had welded together all the influences in the country which were struggling, scattered, to create throughout India a sense of common nationality. The influences had not been created by the Congress. They had come into existence along with British rule in this country, and they had been tenderly nursed by the wise and large-hearted policy of successive generations of statesmen, and notably that of the Marquis of Ripon. But although the influences were already in existence, it was reserved for the Congress to unite them together and produce a result owing to which the heart of Bombay throbbed to-day in unison with that of Bengal or Madras in matters of national welfare. The Congress had also made public opinion in India more enlightened and more influential. The movement had spread far and wide in the land a considerable knowledge of the main political questions, and the result was that public opinion was better informed now than before. It also carried more weight with Government and no more eloquent testimony on the point was required than the fact that Lord Lansdowne himself had recognized in the Congress the Liberal party of India. Then owing to the Congress movement, the main political questions of the country were advancing, some slowly, some rapidly, but all of them advancing towards a state of satisfactory solution.

And lastly, the Congress supplied a ready machinery to those English politicians who realized their vast responsibilities in connection with India and who were anxious to do their duty by the people of this country. One peculiarly glorious circumstance connected with British rule, according to Mr. Gokhale, was that this country had never lacked distinguished, disinterested advocates of her cause in England. The speaker mentioned the services rendered by Edmund Burke to this country a century ago, and said that it was for such services that the names of Bright and Fawcett—and, last but not least, Bradlaugh—had become household words with the people. The four results mentioned by the speaker were the work of the Congress and as such they were principally the work of Mr. Hume's hands ; and surely it was not given to a single individual to achieve more. Mr. Hume's path, again, had not been smooth. He had to work amidst the repeated misunderstandings of well-meaning friends and the unscrupulous attacks of determined enemies. But as though those difficulties had not been sufficient, it had pleased Providence to send him more trying ordeals. In the space of the past two years a domestic affliction, sad and heavy at all times, but peculiarly sad and heavy in old age when the mind of man is rather conservative in its attachments, had rendered his home desolate and his hearth cheerless ; while his public life was embittered by the sad and untimely

loss of his best and most eminent co-worker in England and his most beloved and trusted collaborator in India. The difficulties and misfortunes mentioned by the speaker were more than sufficient to break the spirit of most men; but Mr. Hume continued, in spite of them all, to walk firmly and unshaken in the path of duty chosen by himself. When the people of India contemplated all that, naturally their hearts overflowed with feelings of gratitude and admiration and veneration and love. For Mr. Hume had enabled India, for the first time in her history, to breathe and feel like one nation by bringing together men of enlightenment and patriotism from the various parts of the country to work in a common cause. He had tried to steady their faltering footsteps and turn their weak accents into firm speech. He had toiled for them in the midst of calumny and contumely of every kind, amidst the wicked attacks of avowed enemies and the more wicked stabs of false friends. For their sake he had denied himself the comforts which old age demanded and to their service he had devoted his time, his energy, his talents, his purse, his all. Above all, he had set them a high and glorious example as to how they should labour for the regeneration of their motherland. Such had been Mr. Hume's services and they were above any memorial or reward. Rather their own reward they were, and in themselves they constituted a memorial more lasting than brass and more

enduring than marble. In conclusion, Mr. Gokhale expressed the great regret of all assembled there that Mr. Hume was not coming out for the next Congress. The melancholy circumstance of Pandit Ajudhyanath's death rendered it, in the speaker's opinion, necessary that the next Congress should have the guidance of Mr. Hume's hand. . However, as Mr. Hume's decision had been already finally made in the matter, they had to bow to it as meant for the best. Mr. Gokhale was also very sorry that Mr. Hume's stay in Poona should have been so extremely short that they had to blend their welcome and their farewell together. But as even in that matter Mr. Hume had already made final arrangements, nothing remained for him but to wish Mr. Hume and his daughter a happy voyage and a very happy time in England and to bid him farewell in the words which he himself had used in the case of Lord Ripon :—

Farewell, farewell, a nation's love
A nation's prayers watch o'er thee:
Nor space nor time can part thee e'er
From hearts that here adore thee.

MR. DADABHAI NAOROJI.

[Presiding over a public meeting in Bombay in September 1905 on the occasion of the celebration of the eighty-first birthday of Mr. Dadabhai Naoroji, the Hon. Mr. Gokhale delivered the following speech.]

LADIES AND GENTLEMEN,—I thank you sincerely for the honour you have done me in asking me to take the chair on this occasion. To my mind, it is a great privilege to be called upon to take a prominent part in this celebration. A public celebration of the birthday of a private individual is a unique event in any land, and its value is increased a hundred-fold when, as in this case, diverse classes and creeds join in paying the homage. Mr. Dadabhai must have received, during his long and illustrious life, innumerable proofs of the intense devotion with which he is regarded by all classes of the people in this country; but I doubt if any expressions of admiration and gratitude—even the most enthusiastic demonstrations ever held in his honour—could equal in their significance this annual celebration of his birthday, which is now instituted, not only in Bombay, but also in other parts of India.

Gentlemen, what is the meaning of this great gathering here to-day? How is it that Mr. Dadabhai has in course of time attained in the hearts of millions of his countrymen, without distinction of race or creed, a

place which rulers of men might envy and which in its character is more like the influence which great teachers of humanity have exercised in those whose thoughts and hopes and lives they have lifted to a higher plane ? To us he is not merely a great political leader—the foremost of our time, and for the last half a century. It is because he embodies in his person all that is high and noble in our land and stands as the sacred representative of our national aspirations for the future, that our deepest devotion is given to him. He had attained this position before many of us were born, and few are those among us whose earliest awakening to the claims of nationality has not been influenced by his teaching and his example. Gentlemen, eighty years ago, when Mr. Dadabhai first saw the light of day, if any one had ventured to predict that he would one day stand forth as the most trusted spokesman of a united India, such a man would have been set down as a dreamer of wild dreams. In 1825, the power of the Mahrattas had just been overthrown. And though the first generation of British administrators—foremost among whom will always stand the honoured name of Elphinstone—had taken in hand the work of consolidation in a spirit of wise and liberal statesmanship, the people on this side were naturally sullen and discontented and not without a vague expectation that their own Government would return some day. Western educa-

tion had then hardly begun—the Charter Act of 1833 was yet some way off—and the idea of the different parts of this great country drawing together in a common feeling and a common aspiration could have been no more realized even mentally than is the idea of a united Asia realized by us to-day. I think it is to the infinite honour of the British rule and the wise and large-hearted policy followed in the administration of the country—especially in matters of education—that what was then almost difficult to conceive has now already become a fact and a reality. And to Dadabhai and the earliest band of Indian reformers that worked with him, belongs the credit of understanding aright the true meaning of the new order of things and the possibilities that it implied for their countrymen, and of throwing themselves heart and soul into the work of realizing those possibilities in practice. Since then, one generation of workers has entirely disappeared from the scene and of the next only a few are left—may they remain long with us!—to guide us. But Dadabhai has all through remained in the forefront of the movement, and neither age nor disappointment has chilled his ardour nor has absence diminished his hold on his countrymen. This political agitation which has grown from small beginnings to its present proportions has been watched ever by him with the tender solicitude of a parent. To him its success or failure has meant the success or failure of

his own life. And he has known it in all its phases—when hope and faith were strong, as also when the sky was overcast with clouds. In celebrating, therefore, Mr. Dadabhai's birthday to-day, we honour one who has been a visible embodiment of our struggles and our aspirations for more than half a century and we lift up our hearts in humble gratitude to the Giver of all Good that a life so wholly consecrated for the service of our motherland has been spared so long.

And, gentlemen, what a life it has been! Its sweet purity, its simplicity, its gentle forbearance, its noble self-denial, its lofty patriotism, its abounding love, its strenuous pursuit of high aims—as one contemplates these, one feels as though one stood in a higher presence! Surely there must be hope for a people that could produce such a man, even if, as Mr. Ranade once said, he be only one in three hundred millions! But, gentlemen, it is unnecessary for me to dwell on the personal qualities of Mr. Dadabhai before a Bombay audience. Rather would I utilize the minutes for which I may still claim your indulgence, for a brief reference to his principal teachings, round which a certain amount of controversy has of late gathered. No one has been more warm than Mr. Dadabhai in his acknowledgment of the great benefits which British rule has conferred on us. But he was the earliest to perceive—and throughout his long career he has ceaselessly endeavoured to make the ruling

nation realize this—that these benefits are marred by two great evils,—one material and the other moral. The material evil is the large drain of wealth that takes place year after year from this country ; the moral evil is the steady dwarfing of the whole race owing to its exclusion from all high and responsible offices. Now, I think on both these points Mr. Dadabhai's position is unassailable. Take the drain of wealth first : Mr. Dadabhai has all these years contended that a large proportion of the wealth of the country goes out of it annually without a material equivalent. And this includes not merely the pension and furlough charges of European officers, payments to the War Office for European troops, and other expenses in England of the Indian Government, but the profits earned and sent out of the country by European merchants, the savings of English lawyers, of English doctors, of Europeans in Civil and Military employ—and he calculates that this drain amounts to at least twenty millions sterling a year. Now, whatever justification may be urged for this drain on grounds of expediency or of political necessity, from the purely economic point of view, it is so much wealth drained from the country, because no material equivalent is left in its place. The services which are rendered by these men would, in a normal state of things, have been rendered by Indians themselves, but in the present abnormal situation, they keep this number of Indians out of employ-

ment, and help to carry away so much wealth from the country without material equivalent. Now, even if India had been a wealthy country, such an annual drain would have been a most serious matter; but it is now admitted on all hands, even by the most inveterate official optimist, that India is one of the poorest countries in the world, and Mr. Dadabhai's contention is that this annual drain of wealth practically wipes out the country's margin for saving, and as industry is limited by capital and capital can result only from saving, this drain makes the industrial development of the country by the children of the soil a practical impossibility. As regards our exclusion from high and responsible offices, his position is equally clear. When we agitate for admission to the higher ranks of the public service, it is not merely that we want a few more posts for our countrymen; though, even if it were only that, there is nothing in it to provoke a sneer. But, as a matter of fact, our claim is for a participation in the responsibilities of Government. We want to occupy in our own country places which develop resourcefulness and strength of character and the capacity to take the initiative, and which virtually represent the difference between men who rule and men who merely obey. But then, some of the critics say, Mr. Dadabhai of late has been making use of language which is much too bitter, and which can only rouse a feeling of resentment among members of

the ruling class. Now, gentlemen, I want those who make such a complaint to consider one or two points. Every one knows that Mr. Dadabhai is one of the gentlest men to be found anywhere in the world. When such a man is driven to the use of bitter language, there must be something in the situation to make him so bitter ; and the responsibility for his bitterness must, therefore, lie not on him but on those who make the situation what it is. Again, take the writings of Mr. Dadabhai of his earliest years ; take even his writings of middle age ; and I say, without the least fear of contradiction, that no one will be able to lay his finger on a single word which can in any way be described as bitter. If latterly he has been using language which to some may appear too strong, it is because he finds that he has been all these years like one crying in the wilderness ; also because he finds, as we all find, that for some years past the ideals of British rule in this country are being steadily lowered. Further, ladies and gentlemen, a man of Dadabhai's great age and lifelong devotion to the best interests of his country may well claim to state the naked truth as he perceives it without any artificial embellishments such as you or I are expected occasionally to employ. I think Mr. Dadabhai stands to-day in the position of a teacher not only to his countrymen, but also to the rulers of the land. And whoever has thought of complaining that a teacher does not care to overlay truth

with a quantity of soft and plausible expressions? Moreover, gentlemen, I do not mind Englishmen occasionally making such a complaint, but I really have no patience with those of our own countrymen who, having done nothing or next to nothing for their country themselves, do not hesitate to say that Mr. Dadabhai is injuring the country's cause by the use of violent language. No, gentlemen, whether Mr. Dadabhai uses mild words or bitter words, our place is round his standard—by his side. Whoever repudiates Dadabhai, he is none of us. Whoever tries to lay rude and irreverent hands on him, strike him down.

Ladies and gentlemen, I have no wish to detain you longer; but I will address just one word of exhortation to the younger portion of my audience before I conclude. My young friends, I want you to consider what a glorious example Providence has placed before you in the life of Mr. Dadabhai. The purpose of this celebration will hardly be attained if the enthusiasm kindled in you by a contemplation of his great life were to show itself in the applause with which you greet his name. I want you to ponder over the lessons of that life and try to realize them as far as you may in thought and conduct, so that in course of time they will become a part and parcel of your very being. Gentlemen, a loving and all-wise Providence gives to different people at different times according to their need great men who serve as lights to guide the foot-

steps of our weak and erring humanity. There can be no doubt whatever that Mr. Dadabhai has been given to the people of this country as one of such men. To my mind he is one of the most perfect examples of the highest type of patriotism that any country has ever produced. Of course, none of us can attain to his eminence or to anything like it. It may also be given to very few to have his indomitable will, his marvellous capacity for industry, and his great mental elevation. But we can all of us love the country without distinction of race and creed as he has done : we can all sacrifice something for the great cause which he has served so faithfully and so long. After all, the lesson of sacrifice for the motherland is the greatest to be learnt from Mr. Dadabhai's life. And if only our young men will realize this in their own lives, even partially, however dark the outlook at times may appear, the future is bound to be full of hope.

Ladies and gentlemen, I have to thank you sincerely for having given me a patient hearing.

MR. MAHADEV GOVINDA RANADE.

[The following speech on Mr. M. G. Ranade was delivered by Mr. Gokhale at the Memorial Meeting held in Bombay on the 9th July 1901 and presided over by His Excellency Lord Northcote, the then Governor of Bombay.]

I think, my Lord, if ever an Indian in these days deserved to have a memorial voted to him by his loving, grateful, and sorrow-stricken countrymen, unquestionably that Indian was the late Mr. Ranade. For forty years Mr. Ranade laboured for us, not in one field, but in nearly all fields of public activity, with matchless devotion and steadfastness and with a faith that continued undimmed amidst the severest discouragements. The work that he has done for us, the ideals of individual and collective life that he has placed before us, and the high example that he has given us of a life spent nobly in the service of the country—these will ever constitute one of the most precious possessions of my countrymen. It is true that much of Mr. Ranade's work was rendered possible by the fact that Nature had bestowed on him—and that with no niggardly hand—intellectual gifts of the highest order; but these gifts by themselves had not availed much, if they had not been joined with patient and prodigious industry, a severe discipline, and those great moral qualities, which even singly would have

entitled their possessor to great honour among his fellow-men, and which were combined in Mr. Ranade in so equable and harmonious a manner. This resolution says that subscriptions should be invited from all classes in the country to raise a suitable memorial to Mr. Ranade. I think that that is an eminently proper proposal. For no man was more free from race or class prejudices, or more ready to recognize the good points of other communities and co-operate with them for common ends than Mr. Ranade. Indeed, one of the dearest dreams of his life was to have a common platform on which members of the different communities might stand together for national purposes, and regard themselves as Indians first, and Hindus, Mahomedans, Parsees, Christians, &c., afterwards. There was nothing sectional or narrow about Mr. Ranade's ideals. He desired progress along all lines of human activity and for all classes and ranks of the people, and he desired us, above everything else, to realize the essential dignity of man as man. We all know how faithfully Mr. Ranade lived up to the ideal he set before himself. It was a noble mission in life fulfilled, but the cost he had to pay for it was by no means a light one. I do not speak of the sacrifice of physical comfort which it involved—for no man bore his burden more cheerfully with less desire to complain or with less desire even to rest than Mr. Ranade—but I speak of the mental offering which he had so often to endure. About

eight years ago, in speaking of the late Mr. Telang in this very place, Mr. Ranade described in a passage, which has since become classical, the conflict which two ideals of conduct and two forms of duty constantly presented to the minds of men such as he and Mr. Telang, in the present transitional state of our society. Mr. Ranade had to face this conflict in several spheres of his activity and endure the pain which it often occasioned. Not only had he to lead what he himself called a two-fold existence in social and religious spheres, but in political matters also an apparent conflict sometimes arose between what was due to the rulers by way of a generous recognition of their work and difficulties, and what was necessary in the largest interests of the country; and the effort to reconcile the two duties was not always free from anxiety or pain. But Mr. Ranade accepted all such suffering in the right spirit, looking upon it as a preparation for better things to come. "We must bear our cross," he once said, "not because it is sweet to suffer, but because the pain and the suffering are as nothing compared with the greatness of the issues involved." Another characteristic of Mr. Ranade which I would mention to you was his rigorous habit of constant introspection and the severe discipline to which he subjected himself all through life. No man judged himself more severely, or others more charitably than Mr. Ranade. The marvellous self-control

which he always exercised was no gift of Nature, but was the result of a severe discipline constantly applied to himself. I have seen him having the most ferocious and discreditable attacks on him carefully read out to himself, while complimentary notices of anything he had said or written were asked to be often left unread. It is a mistake to suppose that his temperament was such that the attacks did not pain him. It is true that he lived and moved on a plane of his own far removed "from the madding crowd's ignoble strife." But he had an exceedingly sensitive mind and was keenly alive to every form of injustice. But he accepted this pain for its disciplinary value, and never complained of it even to those who were nearest to him. My friend, Sir Bhalchandra, has already referred to the extraordinary quickness with which Mr. Ranade discerned and encouraged all earnest workers in the country. He had a wonderful faculty in this respect, and, as a result, he was, to many young men, scattered all over the country, like the central sun from whom they derived their light and warmth, and round whom they moved, each in his own orbit and at his own distance. The feeling of devotion that he was able to inspire in such men was most marvellous, and to those young workers who were privileged to come in intimate personal contact with him, his word was law and his approbation their highest earthly reward. Mr. Ranade, in fact, possessed in

the highest degree the ideal attributes of a great teacher. And when such a master is gone from our midst, is it any wonder that we should feel that the light that till now guided our erring footsteps has been extinguished, and a sudden darkness has fallen upon our lives? However, my Lord, we can only humbly trust that He who gave Mr. Ranade to this nation, may give another like him in the fulness of time. Meanwhile, it is our duty to cherish his name, treasure up his example, and be true to his teachings in the faith that a nation that has produced a Ranade need not despair of its future.

MR. MAHADEV GOVINDA RANADE.

[At the 1903 anniversary of Mr. Ranade's death, the Hon. Mr. Gokhale delivered the following address to the Hindu Union Club, Bombay.]

Mr. Chairman, Ladies and Gentlemen,—

In January last, my friend Mr. Padhye invited me, in the name of the Hindu Union Club, to deliver the address at this year's anniversary of Mr. Ranade's death. When I received his letter, I felt at once that it was a call to which it was my duty to respond; but I was then in Calcutta and there was no prospect of my returning to this side before the end of March. I, therefore, wrote back to explain how I was situated, offering, at the same time, to place my humble services at the disposal of the Club, should it, on any account, be thought desirable to postpone the day of this gathering. The Committee of the Club very courteously accepted my offer, and appointed a day convenient to me. And thus it is that you find me this afternoon standing before you to deliver an address, which should really have been delivered something like six months ago.

Ladies and gentlemen, it was easy for me to say 'yes' to the request contained in Mr. Padhye's letter. It was by no means so easy to make up my mind as to what I should say in the course of my address.

You all know that Mr. Ranade had great talents, and they were joined to a prodigious amount of industry, and a singular depth of earnest conviction. And for thirty-five years, this most remarkable man read, and thought, and wrote, and spoke, and worked incessantly, almost without a day's break or holiday. The material, therefore, on which one may base one's address on Mr. Ranade, is bound to bewilder and overwhelm by its very immensity. Indeed, it seems to me to be an easier matter to deliver a series of a dozen addresses on the different aspects of Mr. Ranade's life and life-work, than to attempt a general discourse such as I am expected to deliver this afternoon. Thus we might speak of Mr. Ranade as a man—one of the saintliest men of our time—one, contact with whom was elevating and holy ; or we might speak of him as a patriot, whose love of India overflowed all bounds and whose unwearied exertions for her welfare will always be a bright and shining example to the people of this land ; or we might speak of him as a reformer, whose comprehensive gaze ranged over the entire fabric from summit to base, and took in at the same time all parts of it, political, social, religious, industrial, moral and educational ; or we might speak of him as a scholar or as a teacher, or again as a worker, I believe, the greatest worker of our time ; or we might take his opinions and teachings and the methods that he favoured in the different fields of our

national activity and examine them. We might thus have a dozen different discourses, and yet not exhaust our subject. But a general address touching on all these sides of Mr. Ranade's work, and yet avoiding the appearance of mere commonplace observations, is, in my opinion, a most difficult task. In what I am going to say to you to-day, I do not propose to present anything like a critical estimate of Mr. Ranade's career or achievement. In the first place, we are not sufficiently removed from his time. And secondly, I stood too near him to be able to possess that aloofness without which no critical estimate can be usefully attempted. But this very nearness, which disqualifies me, to a certain extent, for forming a critical estimate, gave me exceptional opportunities to become acquainted with his innermost thoughts and hopes, with his ideals and aspirations, and with the main springs of that magnetic influence, which he exercised on all who came in contact with him. And it is of these that I propose to speak here to-day. I will tell you as briefly as I can what it was that struck me most in him during the fourteen years that I was privileged to sit at his feet; what was the faith in him, and what sustained that faith in the midst of great difficulties and disappointments; and finally, what message he has left behind for the rising generations of his country, so that the harvest for which he laboured may be reaped and not lost in the fullness of time.

HIS PATRIOTISM.

The first thing that struck any one who came in contact with Mr. Ranade, as underlying all his marvellous personality, was his pure, fervent, profound patriotism. In all my experience, I have met only one other, so utterly absorbed, day and night, in thoughts of his country and of her welfare—and that is Mr. Dadabhai Naoroji. To him India's past was a matter of great, of legitimate pride; but even more than the past, his thoughts were with the present and the future, and this was at the root of his matchless and astonishing activity in different fields of reform. Mr. Ranade had realized clearly and completely the great possibilities for us Indians under British rule and the limitations under which practical work for the country had to be done in the existing state of things. I have heard that when he was at college, his ideas were indeed wilder. The late Mr. Javerilal Bhai once told me that in those days Mr. Ranade once wrote an essay, disparaging greatly the British Government, as contrasted with Mahratta rule. Sir Alexander Grant, who was then Principal of Elphinstone College, and who had great admiration for Mr. Ranade's talents, and a feeling of personal affection for him, sent for him, and, after pointing out to him the error of his views, said to him: "Young man, you should not thus run down a Government which is educating you and doing so much for your people." And to mark his serious displeasure

he suspended Mr. Ranade's scholarship for six months. I may state at once that this remonstrance left no bitter feeling behind, for Mr. Ranade, throughout his life, used to speak of Sir Alexander Grant with deep reverence and admiration. With more reading and thinking came sounder views, and the outlook became broader. And, before long, Mr. Ranade came to realize the great mission of his life, and reached that faith which no injustice, no opposition, no disappointment, ever dimmed. His one aspiration through life was that India should be roused from the lethargy of centuries, so that she might become a great and living nation, responsive to truth and justice, and self-respect, responsive to all the claims of our higher nature, animated by lofty ideals, and undertaking great national tasks. And he came to recognize that the present contact between India and England was a Providential arrangement brought about in order that this aspiration might be realized. His conviction on this point never wavered, whatever happened. Even when he himself was misjudged and misunderstood, here he was firm. He often said to those who were about him that though under the present *regime*, there was less field for personal ambition and less scope for the display of individual talent, there were greater possibilities for the mass of our people, and a great future lay before us, if only we roused ourselves to a true sense of our position, and did not let slip our opportunities.

And it was this belief, ardent and passionate, which inspired all Mr. Ranade's activity in the field of reform. It was not merely love of truth, or impatience of evil that made a reformer of Mr. Ranade—these, of course, were there, but Mr. Ranade was by nature far too gentle and forbearing to cause pain to others by an aggressive attitude towards their religious beliefs or social practices, if that pain could by any means be avoided. There have been reformers—and great reformers—in the history of the world and of India too, who have preached reform and braved persecution for the sake of truth and of conscience, because they heard a Higher voice urging them to proclaim that truth at all hazards. I think such men stand on a pedestal all their own—the highest on which man can stand. Mr. Ranade's platform was not this—he preached reform, not merely because his conscience urged him to do so, but also because his intellect was satisfied that without reform there was no hope for us as a nation. Men who preach truth for its own sake live really for all humanity, though their words are addressed to the people of a particular time and place. Mr. Ranade was content to live and work for his country only, and though he was a careful student of the history and institutions of other people, he studied them mainly to derive lessons from them for the guidance of his own countrymen. I think this essential difference between Mr. Ranade and other

great reformers has to be clearly grasped in order to understand the true character of his work and teachings. Thus Raja Ram Mohan Roy took up his stand against idolatry, because to his mind the worship of idols was wrong in itself, was against truth, and as such called for his denunciation. Mr. Ranade, too, spoke against idolatry, but it was mainly because it gave rise to low and grovelling superstitions, which impeded the progress of the nation towards a higher stage of moral and religious life. I want you to note this point, because it explains much in Mr. Ranade's conduct, which sometimes puzzled his friends. Some of you will remember that, a few years ago, several members of the *Prarthana Samaj* were displeased with Mr. Ranade, because he went to the Thakurdwar temple to deliver discourses on the lives of saints Tukaram, Ramdas and Eknath. What he said in those discourses was, of course, in entire accord with the teachings of the *Samaj*, but the very fact that he, a prominent member of the *Samaj*, should have gone to a place of idolatrous worship for addressing people, gave offence to some. I do not, of course, mean that these gentlemen were wrong in feeling as they did on the occasion. I should probably have felt the same in their place. But Mr. Ranade thought that the discourses were everything—the place where they were delivered was nothing. He wanted his ideas to reach his countrymen and he had no objection to

going wherever they were assembled, provided he got an opportunity to speak to them.

A WELL-BALANCED MIND.

The next thing that struck us in Mr. Ranade was that he was the most profound thinker among the Indians of our time, with a mind remarkably well balanced and fitted for taking comprehensive views of things and a great sense of justice and proportion. He was never in a hurry to draw conclusions, always seeking to look beneath the surface, and trace results and growths to their hidden causes. His views were based on wide reading and observation, and were the result of mature reflection, and when once formed, they were urged upon the attention of his countrymen with a force and persistence which could only come of deep and earnest conviction. Again, his comprehensive mind ranged over the entire field of national work, and perceived the necessity of a due co-ordination between different activities—and this made him equally keen for reform in all directions—equally interested in all movements—whether they were for the removal of political disabilities and the redressing of administrative grievances or combating the evils of female ignorance and early maternity and righting the wrongs of widows and the depressed classes, or spreading a correct knowledge of the economic situation of the country, or purifying worship and making it simpler and more spiritual. But while recognizing the necessity of all

these reforms, he realized that, above all, it was necessary for the individual man to be renovated in spirit, so that his springs of action might be purer, his ideals nobler, and his practical life courageous and devoted to worthy ends. His ideas on these subjects he preached with great courage, earnestness, and persistence, but never were they marred by any extravagance of thought or speech. And his convictions were never disturbed by any amount of personal wrong or injustice.

THE DHULIA INCIDENT.

Many of you probably know that, about twenty-five years ago, there was considerable unrest in the Deccan, and a Poona man, named Vasudeva Balvant, openly rose against the Government, collecting a number of ignorant followers and committing dacoities and plundering innocent people. The Government of Sir Richard Temple somehow took it into its head that the dacoits had the sympathy and support of the leading citizens of Poona—because, I believe, Vasudeva Balvant was a Poona Brahmin—and, among others, their suspicion fell upon Mr. Ranade. It was, of course, a monstrous suspicion, absolutely undeserved, for Mr. Ranade was the recognized inspirer and leader of the constitutional movement in Poona, as against the resort to violent methods, represented by Vasudeva Balvant. However, when, in May 1879, the two palaces in Poona were set fire to by an incendiary, the Government at once transferred Mr. Ranade to

Dhulia—he had already been transferred to Nasik, but Dhulia was thought safer, as being more remote from Poona—and though it was vacation time, he was ordered to leave Poona at once and proceed to Dhulia. This action of Government was so extraordinary that even the High Court subsequently protested against the transfer; and, as a matter of fact, it was Mr. Ranade himself who had detected the culprit and secured his confession. On his arrival at Dhulia, his private correspondence was closely watched for about a month, and, curiously enough, at that very time he began to get letters from the Poona side, purporting to be reports from leading dacoits of what they intended doing. Mr. Ranade could not help concluding that these letters were sent by the Police to ascertain if he really had any relations with Vasudeva Balvant, and he scrupulously handed over to the Dhulia Police all such letters. After a month, during which he often felt bitter in regard to the treatment he was receiving, Mr. Ranade had a talk in the matter with an English officer there—a member of the Civil Service, whose name is well-known in this Presidency for his broad-minded sympathy with the people. This officer then expressed his regret at what had been done, assuring Mr. Ranade that Government was satisfied that the suspicion against him was ill-founded. Now, any one in Mr. Ranade's place would have spoken with more or less bitterness, whenever there was occasion to recall the

incident. But I remember how, in speaking of it to me, he was careful to add :—" Oh, such misunderstandings are occasionally more or less inevitable in the present state of things. After all, we must not forget that we might have done much worse in their place." It was a striking illustration of his strong sense of justice and of the fact that no amount of personal wrong affected his faith in the character of British rule. Another instance, of a different kind, illustrating how his mind was habitually alive to all the considerations involved in a question, occurred nine years ago, when we were returning from Madras after attending the Congress and the Conference, and when Mr. Ranade was insulted by a young Civilian at the Sholapur Station, who, taking advantage of Mr. Ranade's absence in a second class carriage (in which the rest of us were travelling) threw down his bedding from his seat in a first class carriage and usurped the seat himself. Mr. Ranade, on being informed of what had happened, quietly went back to his carriage and without one word of remonstrance, sat on the other seat with Dr. Bhandarkar, who was then with us. When the hour for sleeping came, Dr. Bhandarkar, as the lighter of the two, took the upper berth, and gave his own seat to Mr. Ranade. On arriving at Poona, the Englishman, who was then an Assistant Judge, somehow came to know that the gentleman whom he had insulted was Mr. Ranade, Judge of the High

Court, and it appeared that he wanted to apologize to Mr. Ranade. Mr. Ranade, however, on seeing him come towards him, simply turned his back on him and walked away. The next day I asked him if he intended taking any steps in the matter. He said :—"I don't believe in those things. It will only be a case of statement against statement, and, in any case, it is not worth fighting about." "Moreover," he asked me, "is our own conscience clear in these matters? How do we treat members of the depressed classes—our own countrymen—even in these days? At a time, when they and we must all work hand in hand for our common country, we are not prepared to give up the privileges of our old ascendancy, and we persist in keeping them down-trodden. How can we, then, with a clear conscience, blame members of the ruling race, who treat us with contempt?" "No doubt," he continued, "incidents like this are deeply painful and humiliating, and they try one's faith sorely. But the best use to which we can put even these unpleasant incidents is to grow more earnest and persistent in the work that lies before us."

HIS DEVOTION TO WORK.

Another striking characteristic of Mr. Ranade was his great faith in work. One is filled with a feeling of wonder and awe, as one contemplates the amount of work which this great man did during his life—his mighty brain incessantly engaged in acquiring knowl-

edge and in imparting it with an enthusiasm and an energy of purpose rarely witnessed in this land. Not only was his capacity for work phenomenal, his delight in it was so keen—he almost seemed to revel in it. In it he lived and moved and had his being. Apathy, he always said, was our greatest curse in these days. Wrong opinions he could stand ; misdirected activity he could stand ; but apathy filled him with deep sadness—that he found harder to overcome. He himself approached almost all work with a religious sense of responsibility. Just think of how much work he was able to get through during his life ! His official duties throughout were heavy enough ; but they did not come in the way of his doing for the country more work in various fields than half a dozen men could have together done. The range of subjects that interested him was wide—philosophy, theology, sociology, history, politics, economics—all seemed to interest him equally. His reading in respect of them was vast, and he tried, as far as possible, to keep himself in regard to them abreast of the times. Then in politics it is well-known that, for nearly a quarter of a century, he was the guiding spirit of the Poona Sarvajanik Sabha. All the best work of the Sabha, in its palmy days, either came from his hands direct, or else had to pass through them. About two-thirds of the articles that appeared in the Quarterly Journal of the Sabha, during its seventeen years' existence, were contributed by him.

Under his guidance, the Sabha had attained the first position among the political associations of the country, and its representations, for a number of years, had admittedly far more weight with Government than those of any other Indian organization. In the field of social reform, his activity was boundless, almost from the day he left college to the hour of his death. Constantly writing, speaking, discussing, advising, helping, he took a leading part in every reform movement of his time. Of the Social Conference, he was the father and founder, working for it with a faith that was a sight for gods and men. His interest in religious reform was also deep and continuous, and I have never heard anything richer than some of his sermons. He was a profound thinker, and a frequent writer on economic subjects, and his studies in Indian Political Economy are a valuable guide to those students who wish to apply their knowledge of Political Economy to the practical conditions of India. He was one of the principal organizers of the Industrial Conference that used to meet in Poona for some years, and of the Industrial Exhibition that was held during the time of Lord Reay. And most of the industrial and commercial undertakings that have sprung up in Poona during the last twenty years owe a great deal to his inspiration, advice, or assistance. He has left us a History of the Mahrattas, though unfortunately it is incomplete. While in Bombay, he used to take

a leading part in the affairs of the University, and Mr. Justice Candy, the late Vice-Chancellor, has borne willing and eloquent testimony to the value of his work in the Syndicate. In addition to all these activities, Mr. Ranade carried on a voluminous correspondence with numerous friends and followers all over India. For a number of years, he received and replied to over twenty letters a day, and these concerned a wide variety of subjects, from petty matters of mere domestic interest to high questions of State policy. He was in touch with every earnest worker throughout India—his heart rejoiced when he met an earnest worker—he noted such a man with unerring judgment, and kept himself in communication with him ever after. But it was not merely the amount of work that he did, which excited our admiration. The spirit in which he did it was, if anything, even more wonderful.

HIS OPTIMISM.

Speakers and writers have often remarked on Mr. Ranade's robust optimism, which they have regarded as a part of his mental constitution. No doubt, to a certain extent, it was so. He had a temperament which was essentially hopeful. It was this which made him note and gather together for use even the smallest signs of progress visible in any part of India. To a certain extent also his optimism sprang from the fact that his horizon was wider than that of others—

he saw as from a mountain-top, when others could see only from where they stood on the plain below. But it always appeared to me that Mr. Ranade's great optimism was mainly the result of his being so magnificent a worker. It is generally those who do not work—who do not realize the dignity and the power of work—that give themselves up to preaching the gospel of despair. Mr. Ranade was profoundly convinced that if only our people worked earnestly, their future was in their own hands. Work was to him the one condition of national elevation, and having fulfilled it so gloriously in his own case, it was not possible for his mind to be weighed down by thoughts of despondency. About twelve years ago, in speaking of the Social Conference and of its unpopularity, I once ventured to ask him what it was that sustained his faith in the Conference work, seeing that some of the best friends of social reform shook their heads, and said that nothing was to be achieved by such hollow work as holding meetings and passing resolutions. Mr. Ranade turned to me and said: "Not that the work is hollow, but the faith in these men is shallow." After a little pause, he said: "Wait for a few years. I see a time coming, when they will ask the same question about the Congress, which, at present, evokes so much enthusiasm. There is something in the race which is unequal to the strain of sustained exertion." For himself, Mr. Ranade had clearly realized that

patient and long-sustained work was necessary before any appreciable results could be achieved. A remark of his, made to me in, I believe, 1891, has firmly fixed itself in my memory. In that year there was severe scarcity in the districts of Sholapur and Bijapur. The Sarvajanic Sabha, of which I was then Secretary, had collected a large amount of information about the condition of those districts, and a representation on the subject was in due course submitted to Government. It was a memorial, in the preparation of which we had spent considerable labour and thought. Government, however, sent us a reply of only two lines, just saying that they had noted the contents of our letter. I was greatly disappointed when we received this reply, and the next day, joining Mr. Ranade in his evening walk, I asked him :—"What is the good of taking all this trouble and submitting these memorials, if Government don't care to say anything more than that they have noted the contents of our letter?" He replied :—"You don't realize our place in the history of our country. These memorials are nominally addressed to Government, in reality they are addressed to the people, so that they may learn how to think in these matters. This work must be done for many years, without expecting any other result, because politics of this kind is altogether new in this land. Besides, if Government note the contents of what we say, even that is something."

Another notable feature of Mr. Ranade's work was his readiness to play any *role* that was necessary, however humble it might be. In the building of the temple, he did not insist upon being assigned the architect's part; he was willing to carry bricks and stones on his back, so the edifice was raised. In the performance of public duties, he was prepared to bear personal humiliation, if thereby public interests could be furthered. A striking instance of this came to my notice within a few months of my going to Poona in 1885. In that year our Municipal Boards were reconstituted in accordance with the liberal legislation of Lord Ripon's Government. The elective system was for the first time introduced, and the elections in Poona aroused an extraordinary amount of interest. Before that year, the Municipal *regime* in Poona had been virtually official, and Mr. Ranade was anxious that in the new Board, the popular element should have a chance of administering the affairs of the city. Unfortunately, another distinguished citizen of Poona—the late Mr. Kunte—came forward strongly to support the official side. Mr. Ranade and Mr. Kunte had been great friends from their childhood, having been class-fellows from the very beginning. Mr. Kunte's support of the old *regime*, however, drew from Mr. Ranade a sharp remonstrance, and Mr. Kunte, who was a powerful speaker, immediately organized a series of ward-meetings to oppose the popular party. Feeling for a

time ran very high ; and it appeared that Government would misunderstand the character of the struggle then going on. Mr. Ranade, therefore, thought it necessary to conciliate Mr. Kunte and with that object, he attended one of Mr. Kunte's meetings, though it was known that Mr. Kunte indulged in strong denunciation of Mr. Ranade personally at almost every one of his meetings. The meeting in question was held in Raste's Peth. It was in the hall of a private house, and we were all squatting on the floor and Mr. Kunte was addressing us from one end of the hall, the door being at the other end. After Mr. Kunte had spoken for some time, Mr. Ranade's figure was suddenly seen entering the hall. He came and squatted on the floor near the door like the rest of us. Mr. Kunte immediately turned his back upon him, and, therefore, practically upon the whole audience, and, after a few words uttered with his face to the wall, abruptly closed his speech. On his sitting down, Mr. Ranade left his seat and went and sat by him. After the meeting was over, Mr. Ranade invited Mr. Kunte to go with him in his carriage for a drive. Mr. Kunte, however, roughly said :—"I don't want to go into your carriage," and he went and took his seat in his own carriage. Mr. Ranade, however, quietly followed him, and after saying "Very well, if you won't go with me in my carriage, I will go with you in yours," he stepped into Mr. Kunte's carriage. After this it

was impossible for Mr. Kunte to avoid Mr. Ranade, and they went out for a long drive, and everything was satisfactorily settled before they returned. Mr. Kunte's anger was appeased, and his oppositon to the popular party wholly withdrawn.

HIS SAINTLY DISPOSITION.

I have so far spoken of Mr. Ranade's comprehensive intellect, the balance of his mind, his patriotism and his great passion for work. A word or two I will add about the nobility of his nature—his saintly disposition, which, even more than his great intellectual gifts, won for him the devoted admiration and attachment of large numbers of his countrymen throughout India. It is no exaggeration to say that younger men who came in personal contact with him felt as in a holy presence, not only uttering 'nothing base' but afraid even of thinking unworthy thoughts, while in his company. The only other man who has exercised a similar influence on me in my experience is Mr. Dadabhai Naoroji. Among Mr. Ranade's great qualities, one of the most prominent was his utter, absolute selfishness. As I have already told you, he was incessantly working in several fields, but never did he seek the least recognition, never did he think of his getting or not getting credit for this or that. Indeed, nothing pleased him more than to do his work—not only political but almost of every kind—from behind somebody else. His great anxiety was to get

more and more men to be interested in and associated with the work. I do not think anybody ever heard Mr. Ranade say :—"I did this, I did that." It was as though the first person singular did not exist in his vocabulary. The humility with which he sought to discipline himself almost to the last day of his life was another of his great qualities. By nature he was very sensitive, feeling keenly injustice or meanness in any shape or form ; but his constant effort to discipline himself enabled him to preserve his calmness under the most trying circumstances. The normal state of his mind was indeed one of quiet cheerfulness, arising from a consciousness of work well done, and from humble faith in the purpose of Providence. But even when he was seriously displeased with anything, or disappointed with any one, or suffered inwardly owing to other causes, no one, who did not know him intimately, could detect any trace of that suffering on his face. And never did any one—not even those who stood nearest to him—hear him utter a word of complaint against those who might have done him personal injury. He insisted on having all attacks on him in newspapers carefully read out to him. He was constantly before the public in one capacity or another, and his views, therefore, came in for a good deal of criticism—friendly and unfriendly—almost from day to day. The appreciative notices that appeared he did not always read through—I know, because I sometimes

had to read the papers to him—he rarely read them himself, his sight being defective. But all unfriendly criticism he made a point of hearing. He wanted to know if there was any idea therein that he could accept. And in any case, even if there was pain in hearing all that was said, that pain itself had its disciplinary value. One more great quality of his I would like to mention on this occasion, and that was his readiness to help all who sought his help—and especially those who were weak and oppressed. He was accessible to all—even the humblest—at all hours of the day. No one ever wrote to him without receiving a reply. He listened patiently to every one, whether he was able to help or not. This indeed was to him a part of his practical religion. After the Amraoti Congress of 1897, when we were returning to this side, he and I were, for one night, the only occupants of our carriage. At about 4 A.M. I was suddenly roused by some singing in the carriage, and, on opening my eyes, I saw Mr. Ranade sitting up and singing two *Abhangs* of Tukaram again and again, and striking his hands together by way of accompaniment. The voice was by no means musical, but the fervour with which he was singing was so great that I felt thrilled through and through, and I too could not help sitting up and listening. The *Abhangs* were:—

जे कां रंजले गांजले । त्यांसीं ह्याये जो आपुले ।
तोचि साधू ओळखावा । देव तेथेंचि जाणावा ॥
करिं मस्तक ठेंगणा लागें संतांच्या चरणा ।
जरि व्हावा तुज देव । तरि हा सुखम उपाव ॥

“He who befriends the weary and the persecuted—he is a true saint and God himself is to be found there;” and “Be you humble and seek the favour of saints. If you want to meet God, this is an easy way.”

As I sat listening to these verses, I could not help realizing how constant was Mr. Ranade's endeavour to live up to this teaching, and how simple and yet how glorious was the rule of life that it inculcated ! It was a rich moment in my own life. The scene indeed will never fade from my memory.

THE MESSAGE OF HIS LIFE.

Ladies and gentlemen, I have told you as briefly as I could what it was that most struck me in Mr. Ranade. I think that for about thirty years he represented our highest thought and our highest aspiration, and it will be long before we shall have another like him in our midst. It is almost a significant circumstance that Mr. Ranade has passed away at the commencement of a new century, which should have opened for us full of hope and encouragement, but which in reality finds us filled with deep despondency and gloom. That voice—so calm, so faithful, so full of hope—is now hushed in the silence of death ; and yet it was now

that our need of it was the greatest. A kind of despair is settling on the minds of some of our foremost workers. I grant that there is much in the present juncture to try our faith and justify such despair. The middle and lower classes of our community seem to be slowly but steadily sinking lower and lower in various parts of the country. And we seem to be losing ground in several directions in the great struggle in which we are engaged. But I am sure it is only a passing phase, and in any case, in giving ourselves up to such despondency, we show ourselves unworthy of the work that Mr. Ranade did for us, and of the legacy that he has left behind him. You remember how we wept for him when he died. Never before had such universal grief been witnessed in this land. It was as though a mighty wave of sorrow swept over the whole country, and every one,—high and low, rich and poor—was equally touched by it. But our duty towards Mr. Ranade is surely not done by merely mourning his loss. The message of his life must be recognised by us, especially by the younger generations, as sacred and binding. The principles for which he laboured all his life—greater equality for all, and a recognition of the essential dignity of man as man—are bound to triumph in the end, no matter how dark the outlook occasionally may be. But we can all of us strive to hasten that triumph, and herein lies the true dignity of our life:—"Work and sacrifice for the

motherland"—This is the message which Mr. Ranade has left us. And, my friends, our motherland, whatever may be her present condition, is worthy of the best work we can give her, of the highest sacrifice we can make for her. She was at one time the home of all that is great and noble in the life of a nation,—a noble religion, a noble philosophy and literature and art of every kind. This great heritage is ours; and if only we remember this and realize the great responsibility which it imposes upon us, if we are true to ourselves and are prepared to live and work for her in the spirit of our departed leader, there is no reason why her future should be in any way unworthy of her past.

MR. MAHADEV GOVINDA RANADE.

[On the morning of Sunday, the 24th July 1904, the Hon. Mr. Gokhale was invited to lay the foundation-stone of the Ranade Library and South Indian Association at Mylapore. In doing so, he spoke as follows:]

MR. PRESIDENT AND GENTLEMEN :—I must, in the first place, tender to the promoters of this memorial movement my most sincere and grateful thanks for the great honour which they have done me in asking me to lay this foundation-stone. When I was first apprised of your intention to ask me to perform this function, I confess I was greatly astonished that your kindness for me personally should have carried you so far as to make you lose sight of certain obvious considerations, and that you should have decided to ask one who was comparatively a junior worker in public life to undertake a duty, ordinarily reserved, and very properly reserved, only for men who held distinguished positions in life or had grown grey in the service of their country. However, I found that it was impossible for me to get out of the position without upsetting all your arrangements and causing you serious inconvenience, and thus it is that you find me coming before you this morning in a capacity in which I would not have appeared, had the matter rested with

me only. Gentlemen, to me as a Mahratta and as one whose privilege it was to sit humbly and reverently for more than 12 years—the allotted period of discipleship in this land,—at the feet of Mr. Ranade, it cannot fail to be a matter of deep gratification and pride to see that a memorial of this kind is being raised in his honour in this capital of the Southern Presidency. We, on the Bombay side, are, of course, having our memorials to him. There is first of all the Bombay movement, whose fund now stands at about Rs. 20,000, which I understand is going to be devoted to the erection of a statue. Then there is the movement at Poona. Our fund we expect to exceed a lakh of rupees and we purpose to devote it to the founding of an Economic Institute, intended to encourage the study of economic questions and to promote the industrial development of this country. Then there is the Social Conference memorial, which was inaugurated two years ago at Ahmedabad and which is intended to carry on Mr. Ranade's work in connection with social reform. We are thus trying to do what little we can to express our sense of the deep and undying gratitude we owe to Mr. Ranade. We came under the influence of his work and his thoughts and we owe it to ourselves to show that his memory is to us a most cherished possession. But, gentlemen, that you in Madras should also think it necessary to raise a memorial in Mr. Ranade's honour is, to my

mind, a circumstance of deep significance—illustrative of the new spirit which is moving on the face of the waters, of the new life with which the dead bones in the valley are becoming slowly instinct. What is the meaning of this memorial which you are raising here to-day? I interpret it as a recognition of the fact that Mr. Ranade was a man who belonged not to one province, but to the whole country, not to one race or caste, but to all the races and castes and creeds that are to be found in India. And the work that he gave to the country as a whole is regarded with love and reverence by all, irrespective of the differences of place or language. How came Mr. Ranade to receive this recognition, and what was the character of his work that it should be so cherished by his countrymen? Of course, we all know that Mr. Ranade was a pre-eminently great and a pre-eminently good man—a great thinker, a great scholar, a great worker, a saintly person in private life. But this by itself would not have sufficed to bring him so close to the hearts of his countrymen as we know him to be, and as this great gathering so well illustrates. And a man must enter largely into a higher life and must win a prominent place in our hearts, before the people will come forward to honour his memory after death. I have already said that Mr. Ranade was a pre-eminently great and a pre-eminently good man. But he was more. He was one of those men who appear, from time to

time, in different countries and on different occasions, to serve as a light to guide the footsteps of our weak and erring humanity. He was a man with a mission in life—the preacher of a new gospel, one who imparted a new impulse to our thoughts and breathed a new hope into our hearts. And this mission was to interpret to us the new order of things that had come into existence under the dispensation of a wise Providence—to point out to us its meaning, the opportunities it afforded, the responsibilities it imposed and the rich harvest that was to be gathered, if only we did not shrink from the labour that was demanded of us. And high indeed were his qualifications for delivering his message to us. A great, a massive intellect, a heart that overflowed with the love of his country, an earnest and dauntless spirit, an infinite capacity for work, patience inexhaustible, and an humble faith in the purpose of Providence that nothing shook—a man so equipped could worthily undertake the task of moulding the thoughts and hopes and aspirations of his countrymen. And for thirty-five years Mr. Ranade worked for us not in one field but nearly in all fields of human activity, the one passion of his heart throughout being that India might take her place among the nations of the world, worthy of her ancient greatness, her men and women growing to the full height of their stature, inspired by high ideals and undertaking great national tasks. I think no man of

our time had realized more clearly or completely the character of the work that lies before us or the conditions under which that work has got to be done. An ancient race had come in contact with another ; possessing a more vigorous, if a somewhat more materialistic, civilization and if we did not want to be altogether submerged or overwhelmed, it was necessary for us to assimilate what was noble and what was vigorous in the new influences operating upon us, preserving at the same time what was good and noble in our own system. I believe no man cherished more lovingly and reverently the past of this land than Mr. Ranade. " We could not," as he once declared, " break with the past, if we would. We must not break with it if we could." But he was not content to live simply wrapped up in the past. To him, the present and the future of the country were of more pressing importance than the past, and while a study of the past sustained us in our struggle, and furnished guidance for our work, by reminding us of the limitations imposed by the laws of historical unity of growth and pointing out the deficiencies in our character and development which had to be supplied, the main interest of life was represented by the extent to which the duties of the present were performed and the ground for the future prepared. In this spirit, he read incessantly, he thought incessantly, he observed incessantly and he incessantly endea-

voured to apply the results of his reading, his thinking and his observation to a solution of the practical problems by which he found his countrymen surrounded. And his heart rejoiced whenever he found another to work in the same spirit. He noted such a man, wherever he might be, with unerring instinct, put himself in touch with him, encouraged him in every way open to him, and never lost sight of him afterwards. And thus it was that workers in all parts of India looked up to him for light and guidance, for approbation in their success and comfort in their disappointment, and formed, so to say, so many centres to spread the influence of his thoughts and his hopes. Joined to all this was a magnetic personality, without which no man can ever become a great leader or a great teacher of men. The grandeur and nobility of his soul impressed itself on all who came in any kind of contact with him, men were afraid to think unworthy thoughts before him, they felt themselves to be in an atmosphere of holiness, of love and of service—they felt as though they were in the presence of a being of a higher order. Well, gentlemen, such men are among the chosen instruments of God to work out His beneficent purpose in this world, and when they pass away, no man can estimate the extent of the calamity. And thus it was that, when Mr. Ranade passed away more than three years ago, many of us felt that a sudden darkness had fallen upon our lives.

It was as though a mighty sorrow had swept over the land, and high and low, rich and poor, men of different castes and creeds, men of different provinces—all drew together in the consciousness of a choking loss. And memorial movements were started in different places to acknowledge the debt of immense gratitude which the country owed to him who had gone and to show that we were not altogether unworthy of his having lived and worked for us.

Gentlemen, I rejoice that the memorial of Madras is taking the form of a library. You could not have decided upon a more appropriate form of perpetuating his memory. Mr. Ranade's time was spent in the company of books, more than that of any other man of our day that I know of. It is certain that no man profited more by what he read or applied to practical purposes the results of his reading. And nothing gave him more satisfaction or filled him with greater hope than to see young men devoting themselves to the study of those branches of knowledge, for which this library is intended to offer special facilities. I see that your library is in connection with the South Indian Association, which has been started for the encouragement of study in five different branches—in the field of history, in the field of economics, in the field of politics, in the field of industries and in the field of science. Of these, three at any rate were branches in which Mr. Ranade him-

self greatly excelled, and to which there is need for our young men to devote themselves. In industrial and scientific studies, it is not possible for the bulk of our educated men to achieve any great or striking results. That requires a high degree of specialized knowledge and such knowledge can be possessed only by a few. I do hope that the activity of this Association, when it is in full swing, will produce some men who will take up these branches for their lifelong study. For the bulk of our young men, however, the other three branches, viz., history, economics and politics will and must have the greatest attraction. I see you have excluded from your programme the study of literature, religion and philosophy, and I believe the omission to be significant. It does not mean that you undervalue the study of those branches—far from it—but that, in your opinion, the studies that you provide for, require to be specially encouraged, inasmuch as they are the most neglected. Gentlemen, we must frankly recognise the difficulties that beset a man who seeks general knowledge in these days. The output of literature in any subject in the world is now so great and the accumulation is becoming so vast, that it is impossible for any one to take all knowledge for his domain as it was, perhaps, once possible. We must now all bow to the inevitable and make a choice, and having made a choice, we must stick up to it. I think you cannot recommend to the bulk of our educated

young men any study more useful than that of history, economics and politics. Even in these, most of them cannot hope to become specialists, but they can acquire a fair amount of general acquaintance, which, in the present circumstances of the country, is most essential in order that they might be qualified to become better citizens, understanding the character of the work that has to be done and recognizing the limitations subject to which it has to be done. A careful study in these three fields will balance our judgment, widen our sympathies and broaden our vision and our outlook on life, and will enable us to profit better by the discipline through which we are passing. And if we have a large class of men well read in these subjects, the level of public life will, of necessity, be raised, because their capacity to appreciate discriminatingly will not fail to act on their leaders. Gentlemen, one just reproach against our educated men is that their studies cease directly they leave college—that the education they receive at college, instead of being a mere foundation, is, in most cases, really the whole fabric. I think in this matter we ought to imitate more largely the example of Europeans, who, after satisfying the claims of their occupation which is the means of their livelihood, have, as a rule, what may be called a second interest in life in the shape of some study or other. Such second interest often prevents a man from being cramp-

ed or narrowed as is the case with those whose energies are confined to the pursuit which brings them their daily bread. I hope this library will supply such a second interest to the lives of many of our young men, and I hope the young men who will come to this library will realize the responsibility that rests upon them. If you merely have a library, a building and books, that by itself is not raising a memorial. In one sense Mr. Ranade did not require any memorial. His work and the influence of his life constitute the best memorial that can possibly be raised to any man. But this memorial that is being raised to-day is for our own instruction and profit. It offers us facilities which are intended to be availed of in order that we might be qualified better and better to undertake the work that Mr. Ranade himself did and that he wanted us to continue. Remember when you come here that the eye of a great master, though himself no longer amongst us, is on you. Let that stimulate you to take the utmost advantage of the facilities which this library offers you. In proportion as you do this, you will have raised a true memorial to Mr. Ranade. Gentlemen, I wish every success and prosperity to this institution.

MR. W. C. BONNERJEE.

[*The following speech was delivered by Mr. Gokhale at a memorial meeting held in London for expressing sorrow at the death of Mr. W. C. Bonnerjee on July 21, 1906 :—*]

MR. CHAIRMAN, LADIES AND GENTLEMEN,—We are assembled here to-day to give public expression to our grief that the hand of Death has removed from our midst our illustrious countryman,—Mr. Womesh Chandra Bonnerjee. The event, it is true, has not come upon us as wholly unexpected. For some time past it was well known that Mr. Bonnerjee's health had been completely shattered, that there was no hope of recovery, and that continued existence in that state was to him only a prolongation of agony. However, now that the end has actually come, and we are forced to realise that our great and trusted leader, whom it was a joy to love no less than to follow, is no more with us, the mind feels as completely bewildered and overwhelmed as though the great Destroyer had come with stealthy and noiseless steps and had inflicted on us our loss without warning, and with the shock of a sudden blow. Ladies and gentlemen, Mr. Bonnerjee was a man whose death would leave humanity the poorer in any age and in any part of the world. To India, in her present stage of transition, with difficult

and complicated problems arising on all sides, his passing away is a national calamity of the first magnitude, and we indulge in no exaggeration when we say that our loss is truly irreparable. It is not my purpose to-day to attempt here an estimate of the character and career of our great countryman. Our loss is still too fresh and our sense of it too acute and poignant to permit of my undertaking any such task in a meeting of this kind. And all I beg leave to do in commending this resolution to your acceptance is to say a few words expressive of my profound admiration of the many noble qualities, both natural and acquired, of our departed leader, and of my humble appreciation of the great, the signal services which he has rendered to our national cause. Ladies and gentlemen, we all know that Mr. Bonnerjee was one of the most distinguished, as he was one of the most successful, lawyers that our country has produced. Now, if he had been only that and nothing else, even then his title to a public expression of our admiration and respect would have been unquestioned. National life to be complete must be many-sided; and a man who brings honour to the Indian name, no matter in what field, advances thereby our national cause and deserves to be honoured by us on national grounds. But Mr. Bonnerjee's claim to our admiration and gratitude rested, of course, on a much wider basis than his pre-eminent attainments as a lawyer. He was, in addition, an ardent patriot, a

wise and far-sighted leader, an incessant worker, a man whose nobility of mind and greatness of soul were stamped on every utterance and every action of his life. His intellectual gifts were of the very highest order. Endowed with an intellect at once critical, vigorous, and comprehensive, a truly marvellous memory, luminous powers of exposition, captivating eloquence, great industry, and a wonderful habit of method and discipline, Mr. Bonnerjee was bound to achieve, in whatever field he chose to work, the most brilliant success. Then he had a wide outlook on life, deep and earnest feeling and a passionate desire to devote his great gifts to the service of his country. And added to these were a fine presence, an extraordinary charm of manner, and that combination of strength and restraint which made him one of the most manly men that one could come across. Such a man must tower above his fellow-men wherever he is placed. In a self-governing country he would, without doubt, have attained the position of Prime Minister. We in India twice made him President of our National Congress, and what was more, when the great movement was started twenty-one years ago and the first Congress ever held in India assembled in Bombay, the delegates unanimously elected Mr. Bonnerjee to guide them in their deliberations. And since that time down to the moment of his death, Mr. Bonnerjee, with two or three others, was the very life and soul of that movement.

He ungrudgingly gave to the cause his time and his resources—and this far more than is generally known. He cheerfully bore all its anxieties, his exertions for its success were unwearied, and no man's counsel was valued higher by his countrymen, where the Congress was concerned. His courage was splendid, and it rose with difficulties, and his nerve and his clear judgment were a theme of constant admiration among his countrymen. With Mr. Bonnerjee at the helm, everyone felt safe. His was the eloquence that thrills and stirs and inspires, but his was also the practical sagacity that sees the difference between what may be attained and what cannot, and when the need arose no man was firmer than Mr. Bonnerjee in exercising a sobering and restraining influence. I can recall at this moment more than one meeting of the Subjects Committee of the Congress, at which really all important deliberations take place, where Mr. Bonnerjee's far-sighted wisdom and the great weight attaching to his personality steadied the judgments of wilder spirits, and established harmony where discord was apprehended. The loss of such a leader, no words that I can employ can adequately describe, and he has passed away at a time when he was more indispensable than ever, in view of the signs one sees of the vessel of the Congress being about to encounter somewhat rough weather. Ladies and gentlemen, it is really superfluous that I should dwell at any length before an assembly composed so

largely of my own countrymen on the distinguished services rendered by Mr. Bonnerjee to our national cause. And, if I refer briefly to one or two of them, it is because they are not very widely known, and they illustrate how immense is the debt that we owe him. You are aware that no Englishman has ever served India more nobly or more zealously than the late Mr. Bradlaugh. Now, it was Mr. Bonnerjee who enlisted Mr. Bradlaugh's sympathies on our side and secured his powerful championship for our aspirations. Then the part Mr. Bonnerjee has played in keeping together all these years the British Committee of the Congress and in maintaining unimpaired its activity in this country, will always constitute one of his best claims to our affection and gratitude. Very few, indeed, of our countrymen have any idea of the difficulties that have had to be overcome from time to time in this connection, of the worries they have involved, and of the sacrifices they have required. But, if our great friends, Sir William Wedderburn and Mr. Hume had been here to-day, they would have told you, as, indeed, our venerable chairman may, if he speaks a few words at the end, how invaluable have been Mr. Bonnerjee's co-operation and assistance in this matter. Ladies and gentlemen, I do not wish to detain you longer. Many of us lose in Mr. Bonnerjee not only a great leader, but also a warm generous friend. Who that has ever enjoyed the hospitality of his

beautiful home at Croydon—now, alas, plunged into the depths of grief—will forget the singular charm of his personality, the charity of his judgments, his touching devotion to those around him, or the kindness he loved to lavish on all whom he admitted to the privilege of his friendship! And, speaking in this connection, may I say how our hearts go out to-day to the bereaved family, whose loss is beyond words, and especially to that stricken lady whose life has now been rendered desolate and to whom the world will never be the same again! One word more and I have done. Mr. Bonnerjee has now crossed the line which there is no recrossing. But he is not altogether gone from us. He has left us the precious inheritance of a noble example. He has left us his name to honour, his memory to cherish. Above all, he has left us the cause—the cause he loved so dearly and served so well. Our very sorrow to-day speaks to us of our duty to that cause and no tribute that we can offer to the memory of the departed will be more truly fitting than a resolve to recognise and an endeavour to discharge this duty according to the measure of our capacity and the requirements of our country.

SIR P. M. MEHTA.

At the Eighth Provincial Conference held at Belgaum on the 4th May 1895, it was resolved "that this Conference desires to place on record its high appreciation of the masterly services rendered to the country by the Hon. Mr. P. M. Mehta in the last session of the Supreme Council at great personal inconvenience, and it authorises the President to draw up and present on its behalf an address to Mr. Mehta embodying this expression of opinion, at such time and place as may be determined hereafter in consultation with the honourable gentleman."

The above resolution was proposed by Professor G. K. Gokhale in the following speech :—

MR. PRESIDENT AND GENTLEMEN,—The resolution which I have to propose to-day for your adoption is one which it is not only a pleasure but a privilege to move, and I feel sure, when it is put to you from the chair, you will carry it with unanimity and enthusiasm. Gentlemen, the brilliant abilities of Mr. Mehta and the great services which he has rendered, not only to our Presidency but to the country at large, during a public life of nearly a quarter of a century, are now so well known that his name has really and truly become a household word with us. The grasp and vigour of Mr. Mehta's intellect, his wide culture, and his fearless independence coupled with dignity and judgment

have won for him to-day a most commanding position in the public life of the Presidency, and a position of singular eminence in the public life of Bombay. Gentlemen, when a person has attained so prominent a position, it is inevitable that the fierce light of comparisons, to vary the beautiful expression of the late Laureate, should beat on him. And I think no person has suffered less than Mr. Mehta by these comparisons. A friend of mine in Bombay, a shrewd observer of men and things, once said in speaking of Mr. Telang and Mr. Mehta and Mr. Ranade, that Mr. Telang was always lucid and cultured, Mr. Mehta vigorous and brilliant, and Mr. Ranade profound and original. I think, gentlemen, you will agree that there is much in that observation. At the same time it must be said that, though some men think that Mr. Mehta's particular qualities are vigour of intellect and brilliancy, it does not follow that he is in any way deficient in the other qualities. To my mind it has always appeared that Mr. Mehta, to a great extent, is a happy combination of the independence and strength of character of the late Mr. Mandlik, the lucidity and culture of Mr. Telang, and the originality and wide grasp of Mr. Ranade. And these qualities which have always shone well, never shone more brilliantly or to greater advantage than in the work done for us by Mr. Mehta in the last session of the Supreme Legislative Council. Gentlemen, I do not mean to recount

in any detail the services rendered by Mr. Mehta during that session. In the first place, they are so fresh in our memory, and, secondly, they were only the other day recapitulated so well by speaker after speaker at a public meeting in Bombay. I will, however, say this, that in those discussions in the Council Mr. Mehta showed himself to be a match for the ablest of his Anglo-Indian opponents and a match for them in their several elements. Those who have read those discussions will agree with me that Mr. Mehta's contributions uniformly displayed the highest ability and skill as a debater, and that his speech on the Budget was calculated to raise even his reputation for grasp of principles and mastery of details. Member after member on the Government side rose on that occasion to demolish Mr. Mehta. Sir Charles Elliott, the Military Member, Sir Antony MacDonnell and Sir James Westland, each in his turn attacked Mr. Mehta, thereby only showing how strong was the case made out by Mr. Mehta in the opinion of Government themselves. The attempt of Sir James Westland to browbeat Mr. Mehta only recoiled on himself. He lost his temper when Mr. Mehta spoke in his vigorous manner of the defects of the Civil Service, and complained bitterly that Mr. Mehta was introducing a new spirit in the discussions in the Legislative Council, and ended by accusing him of uttering a calumny. When, however, the speeches of

the two were published, the public was in a position to judge who it was that had uttered a calumny. The remarkable coolness with which Mr. Mehta behaved on the occasion elicited the admiration of the *Calcutta Statesman*. Throughout Mr. Mehta showed himself, as I have already said, to be a match for his opponents on their own ground, and, as the correspondent of a Madras paper well expressed it, he returned argument for argument, invective for invective, banter for banter and ridicule for ridicule. Gentlemen, we are proud that our representative should have achieved so much glory. We are proud that even our friends in Calcutta thought his services to be so signal that, under the leadership of Mr. W. C. Bonnerjee, they presented a public address to Mr. Mehta to express their sense of gratitude, although they had their own member in the Council. Those of us who know Mr. Mehta know that he cannot care much for these compliments. We are aware that services such as he has rendered are their own reward. But we owe to ourselves a duty in the matter, and we shall best perform that duty by authorising our President to convey an expression of our gratitude to Mr. Mehta in the manner suggested in this resolution.

PART IV.

MISCELLANEOUS.

SPEECHES IN ENGLAND AND INDIA.

THE DISCONTENT IN INDIA.

[On the evening of Friday, the 6th of October 1905, Mr. Gokhale addressed a large meeting in Manchester of Mr. Schwann's constituents. His speech was reported as follows in the "Manchester Guardian".]

Mr. Gokhale, on rising to address the meeting, was received with great enthusiasm. He spoke first (according to the "Manchester Guardian" report) of the appreciation of the Indian people for the sympathetic interest which Mr. Schwann had for so many years taken in their affairs. "If the faith of my countrymen in your sense of justice and love of fair play is still alive, in spite of many disappointments and many discouragements, it is due to the fact that there are among you men like Mr. Schwann, who place righteousness above everything else." Explaining his mission in England, he said he had come on behalf of the Indian National Congress to arouse the sympathetic interest of the electors of this country in the

affairs of India. "Never, in my opinion," he said, "was there greater need of your paying attention to the affairs of that great dependency. The country is at this moment seething with discontent from one end to the other. The good work which it has taken large-hearted English statesmen years and years to do has been to a great extent undone, and one of the greatest provinces of that country, Bengal, which has one-fourth of the population of the whole country, is to-day in a state of open hostility to the administration of the land. This is a very serious situation, and the electors of this country, who are ultimately responsible for the good government of that land, must find out who is responsible for creating the present situation." Mr. Gokhale traced graphically the development of the situation.

"A MOST REACTIONARY POLICY."

He described the Liberal policy governing the administration of India up to the end of Lord Ripon's distinguished viceroyalty, and then proceeded to show how in the last ten years that good work had been destroyed. "During the last ten years a wave of Imperialism has swept over the whole of the Empire. You here have suffered from that wave, and you can imagine how much more people have suffered who in their own country are more or less at the mercy of the officials whom you send out to govern them. This Imperialism has resulted in a most reactionary policy

being adopted. Imaginary dangers are looked for in various directions. The Government has taken it into its head to think that if the people are not disloyal to-day they may be disloyal to-morrow, and so they are saying, 'Let us cripple them for once and all, so that they shall be incapable ever of rising against our rule.' The result has been that the clock has been put back amazingly. The local self-government which Lord Ripon gave us has been largely curtailed; the universities have been officialised; they have tried to fetter the Press by passing the Official Secrets Act; they have abolished competition for the higher offices, which means that official patronage has been enormously increased and the opportunities for Indian people to enter the services of their country have been largely reduced.

THE PARTITION OF BENGAL.

"But more than all these things," Mr. Gokhale continued, "there has come this partition of Bengal, about which I wish to speak specially to-night, because I understand that there is considerable soreness felt in Lancashire about the turn events have taken lately. I want you to realise that this partition, which is now driving the people of Bengal to a state of utter despair, does not stand by itself. It is the last of a series of reactionary and repressive measures which have shaken the people's confidence in the intentions of the Government, and which have made

the people feel that unless they help themselves nobody else will help them." Mr. Gokhale explained why the partition of Bengal is so objectionable to the people. He pointed out that Bengal is the largest province in India, with a population of 70 or 80 millions. That population was composed of four different communities, who differed in language, and in some cases in race. In the centre of the province were the Bengalis, some 30 millions in number. Speaking with greater liberty as a native of Bombay himself, he described the Bengalis as the most influential community in India, and as intellectually among the finest people in the world. They had a most powerful Press, they had wealth among them, they were fired by national aspirations, and they had great political influence with their countrymen. Living in Calcutta for four months every year, he knew how many lovable qualities the Bengalis had, and he knew that one had only to deal with them in a right spirit to earn their lasting friendship. Their instinct was to be docile and law-abiding. It was these people who were now being roused against the Government, and who in their despair had declared a boycott against English goods.

AN ALTERNATIVE TO PARTITION.

The Bengalis, more than any other community in India, were marked out for Government disapproval and displeasure, and there were officials who thought

if these people could be gagged the work of administration would be easier. How to deal with the Bengalis had always been the problem with those who wanted to turn their back upon promises given in the past in the name of the English people. What, therefore, was the plan that had been adopted? The proposal was to divide Bengal into two parts, to put half the Bengalis into one province and the other half into another province, and to reduce them to the position of a hopeless minority in both. The Bengalis naturally received the proposal with feelings of consternation and dismay. They felt that the solidarity of their race would be destroyed. The contention of the Government was that Bengal was too great an administrative charge for one man. But partition was not the only means of dealing with the difficulty that was presented by the size of Bengal. They might, for instance, have given Bengal a Governor in Council in place of a Lieutenant-Governor, as at present. A Governor in Council was assisted by two colleagues, and thus there were three men to divide the work of administration, whereas a Lieutenant-Governor had to do all the work himself. That was the solution proposed by Sir H. Cotton. A Governor in Council was, however, appointed from England, and Lord Curzon would not have a man who would be partly independent of him.

HISTORY OF THE IDEA.

Lord Curzon, therefore, preferred the plan of partition. He started the idea in 1903. The plan at first was to take away only a small slice of Bengal—two districts—and to add it to the Eastern Administration. The people who lived in this proposed slice protested. The Viceroy went and visited them, but though he talked in a “firm” manner the people would not be put down—and the Viceroy seemed to have dropped the idea of partition like a hot potato. From the beginning of last year until two months ago not a word was heard about partition. The people thought that nothing further would be done, and had they known the Government were going on with the scheme many of them would have come to England to call attention to the seriousness of the proposal. The Government went to work in the dark, and two months ago the new scheme of partition—a much larger one than the first, since it proposed to cut off not a twelfth but a half of the province—was sprung upon the people. The storm that was aroused was fiercer than ever. Then came the debate in the House of Commons, when the question was raised on a motion for the adjournment by Mr. Herbert Roberts. On the occasion of that debate Mr. Brodrick promised to furnish Parliament with further papers in order that the House might have better material on which to form a judg-

ment. This was taken to mean that no further steps would be taken without Parliament having a chance to express an opinion. This, at any rate, was how Mr. Brodrick's speech was understood. The agitation, therefore, became a little quieter. But a month ago Lord Curzon announced that the scheme of partition would be carried into effect on October 16.

COMPLICATIONS THAT MUST ARISE.

Mr. Gokhale detailed as complications that must inevitably arise from the partition—the withdrawal of many men of ability and influence from residence in Calcutta, the crippling of the power of the Calcutta Press, the interference with the educational work of Calcutta, and the probable reduction of the importance of the High Court of Calcutta. These were some of the things that would make this partition disadvantageous to the people of Bengal. But there was one body that would gain very largely by the partition—the body of officials. The partition would create so many new prizes for the Civil Service that there was a fine outlook indeed for these men, and it was one of the most astonishing things in connexion with the partition that the Lieutenant-Governor should have reported to the Viceroy saying that he had consulted several members of the Civil Service, and “they were all in favour of it.” Of course they were in favour of it; whoever expected that they would be otherwise? But was it

not remarkable that although these Civil Service officials were consulted not one word of opinion was ever asked from a non-official Indian? The non-official Indians had to a man ranged themselves against the partition, even those who live in mortal terror of displeasing the Government—a sure proof of their earnest conviction that a grave mistake was being made. The influential Indians had done everything possible to stop the partition, but all their efforts had proved absolutely useless. Now he wanted to ask the people of England if this was the way in which the British government of India was to be carried on? The rich zemindar was patted on the back for his loyalty, and when money was wanted for special purposes he was tapped for tens of thousands, but a question of vital importance to the interests of his country was settled without even consulting him in any way, and this after a hundred years of progressive British rule was a disheartening state of things.

WHY THE BOYCOTT WAS BEGUN.

Mr. Gokhale spoke not only of the legislative restrictions that had been imposed on the Indian population, but also of the disparaging remarks on the Bengalees as a race which Lord Curzon made at Calcutta, and said: "With feelings alienated and trampled on like this; with the partition scheme concocted in the dark, and persisted in in spite of every

effort made to persuade the Government to give it up, what were the people to do? They tried to move the Government on the spot and failed. They approached the Secretary of State and failed. They approached Parliament and failed. They knew from bitter experience how difficult it is to get you English people to take any real interest in the affairs of India. I say this not to blame anybody. The situation is difficult. There are six thousand miles between us, and you have your own problems. We know that you do not wish that India should be badly governed, and all we ask is that she shall be governed in accordance with the English traditions of constitutional liberty and freedom. Therefore I am sure that when the whole position is brought home to you you will rise as one man and put an end to these Russian methods of administration. Well, what was to be done? The question was urgent, and the people in sheer despair, driven well nigh to madness, wanted to strike at the Government somehow, since the Government would not listen to them. Then they said: 'Manchester people are the countrymen of this Government. Lancashire pays no heed to our affairs. Lancashire could exercise its power in our favour, but it does not; very well, we shall have nothing to do with Lancashire goods.' That was the real explanation of the boycott. The name of Manchester is greatly honoured in India for many reasons, amongst

others because you are represented in the Press by a newspaper like the "Manchester Guardian," than which there is no better friend to our people in this country; because you are represented in Parliament by Mr. Schwann, and because we honour the great names associated with what is known as the Manchester School. The principles of the Manchester School are that there should be peace abroad and reform at home, and that peoples shall be permitted to rise according to their capabilities to the fullest possible self-government, and therefore we respect the Manchester School. Why, then, you may ask, have we taken a step against Manchester? Well, what else could the people do? The Manchester trade was the only vulnerable point at which we could strike against the Government of India, and we struck not with the object of injuring you in your pockets, because, if we must buy from outsiders, we would sooner buy from you than from America; but because you are in the position to call this reactionary Government to account. I regret the necessity for resorting to this measure. I understand that you are sore and angry. I was even told in London that it would not be a pleasant thing to come to Manchester to address a meeting, because people were embittered against the Indians for the boycott. But I said I would take the risk. I am not sorry that you are angry, because I want you to be angry, but I want you to turn your anger not against the helpless people, who have been driven to the last possible measure that they could take in an extremity, but against those officials of yours who are responsible for the unhappy situation that has been brought about.

AN INDIAN VIEW OF INDIAN AFFAIRS.

[*On Monday, October 9, 1905, the Hon. Mr. Gokhale delivered an address to the Fabian Society, London, on "An Indian View of Indian Affairs."*]

Mr. Gokhale, after thanking the Fabian Society for allowing him that opportunity of addressing the members, said he had come from India in order to arouse the interest of the people of England in the affairs of India. They were on the eve of a General Election, and consequently their friends in India thought this a fitting opportunity to make a special appeal to the English democracy with a view to inducing them to take some kind of interest in the affairs of that dependency.

INDIA AND THE EMPIRE.

India was regarded as part of the British Empire, but what was the actual relationship between Great Britain and India? Much depended on the meaning attached to the word Empire. If that term meant mere inclusion under one flag, then, no doubt, India was actually a part of the British Empire; but if it were to be taken as meaning ascendancy of race, as Lord Rosebery once put it, then India was only a possession of the British Empire, and not part and parcel of it. The position of India in the Empire was, no doubt, an exceptional one. First, they had the United Kingdom, which, as the centre of the

Empire, bore the greater part of the responsibility, but at the same time enjoyed to the fullest extent the privileges of Empire. Then come the self-governing Colonies, which, while enjoying the privileges, hardly bore any share in the responsibilities of Empire. Following these came the Crown Colonies, one section of which were on the road to self-government, while the remainder were intended to be held under the despotic sway of England, as India was held to-day. He would say nothing about the Protectorates, which came within another category, but would come at once to the position of India, which formed the largest part of the Empire, but which was governed as a mere possession of the British people. Three features showed that it had no part or lot in the Empire. In the first place, the people were kept disarmed; it was thought to be dangerous to allow them to carry arms. Secondly, they had absolutely no voice in the government of their own country; they were expressly disqualified from holding certain high offices, and practically excluded from others. Lastly, they were not allowed a share in the privileges of the Empire in any portion outside British India, except a limited one in the United Kingdom itself.

ELEMENTS OF HOPE.

But there were also some elements of hope for them. The Indians were a civilised race long before

the ancestors of Englishmen knew what civilisation was. The genius of the race, however, showed itself in the fields of religion, philosophy, literature, science, and art. Their people did not develop a love of free institutions ; they paid no attention to political questions, and for that they were now paying the penalty. Their religious ideals had been largely responsible for their having been content to live under the rule of foreigners. Their religion taught them that their existence in this world was only a temporary sojourn to qualify them for a better state of things in the next world. Brought up under a teaching like that, it was not surprising that their people had been content to allow the task of government to be undertaken by anyone sufficiently strong to grasp it, provided they were not oppressed too much, and were allowed to have freedom in the exercise of personal and domestic duties. Their great desire, indeed, was to be free to pursue the higher purpose of existence as they understood it. But now they were coming under new influences, for a spirit of nationality had been aroused in India, and it was making steady progress. The more the people came to understand the dignity of free institutions, the greater would be their progress in this new direction. The second element of hope was that the declared policy of British rule in India—a policy not yet wholly repudiated—was one of eventual equality for the two races. From time to

time British statesmen had laid down a certain policy regarding British rule in India, though how far it had been acted upon in practice was quite another story. Seventy-five years ago the policy of equality for all races in India was first laid down ; there was, they were then told, to be no governing caste in India. The policy thus laid down by statute remained a dead letter, and twenty-five years later the Sovereign of that day again enunciated it, telling them that the Government of England was bound by the same ties towards the people of India as bound it to all other members of the British Empire. It was this declared policy which constituted another element of hope in the situation—the hope that, eventually, they would be able to enjoy the full status and full privileges of British citizenship. No doubt, at the present moment, the equality was a legal fiction, but even a legal fiction had its uses ; it afforded them some ground for hoping that, in time, their position, unsatisfactory as it was at the present moment, would improve, so that they would eventually become an integral part of the Empire.

GOVERNMENT ON THE RUSSIAN MODEL.

Were they on the high road to the attainment of that destiny ? What was the nature of the government to which they were subject ? The Government of India was a civil and military bureaucracy, at the head of which was an autocracy. It was in 1858 that

supreme control over the affairs of India was vested in the British Parliament. The Secretary of State for India—who, as a rule, knew very little about Indian affairs—was advised by a Council composed of ten or twelve retired Anglo-Indian officials. The responsibility, then, for Indian affairs in this country rested practically with the Secretary of State and his Council, for in Parliament he had a large party majority at his back. In India itself the head of the Government was the Viceroy, who also had his Council, and, from the Viceroy downwards, the government was in the hands of British officials. In fact, the whole system of government was modelled on Russian methods; it was a system unworthy of free England—unworthy of a country which gloried itself on the possession of constitutional liberty; it was a system of government dependent largely on confidential police reports, on the surveillance of people suspected of entertaining advanced ideas, and distrust and hostility towards the educated classes. There was absolutely no popular control in the government of the country. The Collector or District Magistrate was in no way subject to popular influence, and whatever plans were devised for the better government of the people of India were devised in the dark, the people knew nothing about them until they were actually ready to be enforced, and then their protests were practically of no avail. The whole country was thus given over to officialdom;

some of the officials, no doubt, were very conscientious men, but the system soon made autocrats of them, and he ventured to think that the resultant evils from such a system would not be avoided even if they could import angels from heaven to fill these offices. British officials in India were, after all, average men with human faults and merits. But the unfortunate tendency of the system was to emphasise the faults, while the merits were compelled to take a back seat. One natural consequence of the system was that the first thought of the official was to protect and guard his own monopoly of power. He resented any criticism of his action, and tried to put down with an iron hand any manifestations of discontent on the part of the people, or any attempt on their part to associate themselves with the government of their own country, and although there might be an appeal to the Secretary of State in this country or to Parliament, the system was such that it was impossible to carry any vote against the Indian Minister, who had his party majority at his back, and who also had the further assistance of a sort of conspiracy between the two front benches to keep India outside the range of party—in other words, to pay no attention to her at all; and though the people of England might be in a position to influence Parliament, they unfortunately knew very little about India, and cared less about it. It was only when there was a dispute between offi-

cialists like Lord Curzon and Lord Kitchener that public attention was drawn to India; otherwise nothing was heard of the country, and a province might be partitioned, despite the protests of hundreds of public meetings, without any notice being taken of the matter in this country.

NO RESPONSIBILITY.

Now the absence of control involved, of course, an absence of responsibility. The British officials in India often spoke of their responsibility to England; Lord Curzon, who was a very fine phrase-maker, told them he had the good name of England to guard, and that nowhere else in the world would they find a body of officials animated by such lofty sentiments as characterised the Indian Service. He spoke of them as men spending the best of their lives in voluntary exile—the question of salary was always kept well in the background—working for an ungrateful people, who were constantly denouncing them, and to whose slanders they must remain indifferent. Those who had no actual personal experience of British rule in India might easily be carried away by such language, and might be led to think that the best course for them was to leave the whole matter to the officials, so as not to hamper them in their great work. But he thought they could commit no greater mistake than that. Their responsibility was two-fold: first, to prevent oppression, and secondly, to devise active measures for raising

the people to a higher level of political and economic life. But for this responsibility there was no scope in the present system of administration. The heads of the Government in India were appointed for only a term of five years. It took them two or three years to understand Indian questions, and when they had accomplished that, it was time for them to begin packing their trunks. They could not, therefore, be expected to promote any large schemes of constructive policy, which would disturb existing interests, and which they could not remain on the spot to handle. There was every inducement to the officials to continue in the old groove, for they knew that if they suggested anything outside their ordinary duties, it would have cold water thrown upon it by others higher in authority. Hence the necessity for a deliberative assembly in India which could carry on its deliberations from year to year, and which could undertake responsibility which was now neglected.

THE WAVE OF REACTION.

He had already referred to the policy of equality which had been declared from time to time. The Marquis of Ripon was the first statesman to endeavour to give effect to that policy, but his efforts in that direction provoked so much hostility on the part of the officials, and so much persecution on the part of his own countrymen, that no subsequent Viceroy had ventured to follow his example, and his effort to put

the declaration of policy into practice had never since been repeated. On the contrary, there had been a reaction, especially within the last two or three years. Great Britain had suffered from a wave of Imperialism, but that Imperialism had taken its worst form in India. He could understand an Imperialism which would give equal opportunities to all concerned, but in India they had had to face a narrower and lower kind of Imperialism, which was represented by mere racial ascendancy and arrogance, and which looked upon the world as though it was made for the white races only, the other races being intended by Providence simply to be footstools for the white races. That was the kind of Imperialism which had been rampant in India, and surely the people of England did not approve of that. Some people were content to deal with evils as they existed ; others tried to look for imaginary evils and to insure their country, so to speak, against the future. Lord Curzon belonged to the latter class. He saw no disloyalty in India at the present time, but he thought that there was nothing to prevent the people becoming disloyal one day, and therefore his plan was to cripple them once for all, and thus make them incapable of acting disloyally, if ever they inclined to do it. His endeavour had been to tighten the grip of the English official on the land ; to put more power into his hands, and to make it more and more impossible for the Indian ever to claim equality

with the English in his own land. Lord Curzon's Viceroyalty had proved about the most unpopular they had ever had under British rule. What had Lord Curzon done? He had reduced the popular element in local government, which was conceded by Lord Ripon; by his Official Secrets Act he had tried to fetter the Native Press, which had been doing so much to promote and arouse the national spirit; he had circumscribed the scope of University education by dissociating in practice the independent Indian element from the government of the Universities; he had done away with competitive examinations for the higher official appointments for Indians, leaving the nominations to patronage, and thereby enormously increasing the power of the official bureaucracy, as well as tending to make the administration less efficient by depriving it of the services of men of real capacity and independence. These were the measures that had made his administration so extremely unpopular, while the manner in which they had been forced on the people had increased their anger with them. Lord Curzon did not believe in the principle of liberty; he did not believe in the aspirations of the people; had he his way, the government of this country would go back into the hands of the aristocracy, and he would reverse that policy which induced England to help the Greeks and the Italians in their struggles for liberty.

THE PARTITION OF BENGAL.

What was the object of the partition of Bengal ? It was to divide into two a homogeneous nation proud of their unity—the Bengalis, who were the most advanced intellectually of the races of India, and who were doing so much to advance the feeling of nationality throughout the country. The partition was being carried out in opposition to the wishes of a united people, and it illustrated the spirit in which India was being governed. The people were absolutely helpless in the matter ; they had no remedy, and hence they appealed to the British democracy to come to their assistance. The only weapon they could use in their own defence they had decided to use ; they had declared a boycott against British goods, for while they had no feeling against the English people personally, they had recognised the necessity of attacking the Government at its only vulnerable point—the pockets of its countrymen—and he could assure them that this boycott was a step of which the Government and the merchants were only now beginning to realise the seriousness.

THE ECONOMIC SITUATION.

As to the economic situation, India had few industries other than the cotton industry. Her village industries had been wiped out by the competition of steam and machinery. She was mainly dependent on her agriculture. It was admitted, even by the officials, that she was extremely poor, but an attempt

had been made upon most unreliable data to prove that in the last two decades the income per head of population had increased from 27 to 30 rupees per year. But was that borne out by the statistics? According to those the population was not increasing at the rate at which it increased in other parts, and while the income-tax which was paid by the upper and middle classes remained practically stationary, the salt tax—the burden on the poorer classes—had not even shown an increase proportionate to the growth of the population. The area of land under superior crops was diminishing, and that under inferior crops was increasing, because the soil was becoming exhausted, and the people had not the capital with which to improve it. The peasantry were in debt to an extent which was experienced in no other part of the world. And why? They were the most frugal, thrifty, and industrious people that could be found anywhere, but they were perpetually in the hands of money-lenders, largely to the system of land administration, which imposed a burden far beyond what the land could bear. No doubt Indian finance in the last few years had shown surpluses, but they had been produced by artificial means, by increasing the gold value of the rupee. There was extraordinary inconsistency in the spectacle of a thriving Treasury and a starving peasantry which surely proved that there was something rotten in the State of Denmark.

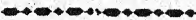
THE REMEDY : COLONIAL SELF-GOVERNMENT.

What was the remedy they were seeking for all these evils ? The Indian National Congress asked that the people should be associated in larger measure with the government of the country ; that eventually the Colonial type of self-government should be attained. Let there be no artificial interference with their growth. Japan had recently shown what could be done in that direction. But the Japanese were not intellectually superior to the people of India, and, given the same opportunities, there was no reason why equally satisfactory results should not obtain in India. Finally, he would like to point out that British and Indian interests were identical. Under a better system of government the Indians would increase in wealth, and British trade would benefit, and he therefore most earnestly appealed to the English people to use whatever influence they had with their Government in favour of gradually liberalising the foundations of the Government of India, and of placing the people there on a footing of equality with the inhabitants of other parts of the Empire. Let them become in reality part and parcel of the Empire, and hand in hand they could then go forward and prove a source of strength, and not of weakness, to that Empire.

REPLY TO QUESTIONS.

Several members of the audience then put questions to the lecturer. Asked if the terrible poverty of India

was solely attributable to the British Government, Mr. Gokhale said the responsibility for it undoubtedly rested very largely with the system of administration maintained, under which between twenty to thirty millions were annually drained from India, thereby depriving it of that capital which was so necessary for the promotion of industrial development. He did not believe that the present system of caste would militate against the people of India taking a wider view and interest in the government of their country. As a matter of fact, the feeling of nationality was modifying the caste system. They were becoming united in seeking the removal of the disabilities under which they now suffered; they wanted the Colonial type of self-government eventually; as immediate steps they would like an increase in the number of Indian members of the Viceroy's Council; they would like, too, to see the Indian element introduced into the Council of the Secretary of State for India; and, finally, they desired to see India directly represented in the British House of Commons.



INDIAN AFFAIRS.

[On Tuesday, the 15th November 1905, the New Reform Club entertained Mr. Gokhale to a complimentary dinner at the Trocadero Restaurant, London. Sir Henry Cotton presided and proposed the toast of the evening, the health of "Our distinguished guest." The Hon. Mr. Gokhale made the following speech on the occasion :—]

Mr. Gokhale was warmly applauded on rising to respond. He said: Sir Henry Cotton, ladies and gentlemen, it is difficult for me to find words to express in an adequate manner my sense of the great honour which the New Reform Club has done me this evening. I am sure my countrymen in India will be profoundly gratified to read the terms in which the invitation of this Club has been couched. The invitation states that this banquet is intended to be a mark of the Club's sense of the high Imperial responsibility of the people of the United Kingdom for the welfare of their Indian fellow subjects. It was precisely to rouse the British people to a sense of this responsibility that I was charged by my countrymen to undertake this mission, and I have no doubt they will feel greatly encouraged when they see an important political body

like the New Reform Club expressing in so signal a manner their sympathy with our aims and our work. You, Sir, and those Englishmen who think with you, very often speak of the awakening of India. To my mind this banquet is a sign, a most gratifying and unmistakable sign, of another awakening—the awakening of England to the claims of India. I think it is time such an awakening took place. It was in 1833 that your Parliament announced to the people of India that the government of the country would be so conducted that there would be no governing caste in that country, and that the rule would be one of equality for the two races in that land. Three-fourths of a century have since elapsed, and still you not only find a governing caste in that land, but that caste is as vigorous, as dominant, as exclusive as ever. It was, perhaps, inevitable that in the earlier years of your rule, when an administrative machinery of the Western type had to be introduced into India, that all power should be placed in the hands of English officials, who alone then understood Western standards of government. But now that the schools and colleges and universities have been doing their work for half a century and more, and a large class of educated men have grown up—men qualified to take a part in the government of the country, and desirous of taking such a part—there is no excuse whatever for maintaining the monopoly. For the last twenty years the Indian

people have been agitating for a greater voice in the affairs of their country, through the Indian National Congress. The bureaucracy, however, pays little attention to what we say in India, and so my countrymen thought it desirable that an appeal should now be addressed direct to the electors of this country. The natural evils inseparable from a foreign bureaucracy monopolising all power have, during the last ten years, been intensified by the reactionary policy of the Indian Government, and this reaction and repression has been the darkest during the last three years. You, Sir, have said, and I am glad you have said it, that my personal feeling towards Lord Curzon, on whom the chief responsibility for the repression of the last three years mainly rests, is one of respect. That is so. I have been in his Council now for four years. And nobody could come in contact with him without being profoundly impressed by his great ability, his indefatigable energy, high sense of duty, and his devotion to the interests of England, as he understands them. Lord Curzon is a brilliant and gifted man, and he has striven as hard as he could to promote, according to his lights, the interests of England in India. He has done several things for which he is entitled to great credit, but his main aim has been to strengthen the position of the Englishman in India, and weaken correspondingly the position of the Indian, so as to make it more and more difficult for the latter

to urge his claim to that equality which has been promised him by the Parliament and the Sovereign, and which it is his legitimate ambition to attain. You will find—and I am anxious to be fair to Lord Curzon—that while he has done a great deal of good work in certain directions—giving larger grants to irrigation, to agricultural education, and to primary education, putting down assaults by Europeans on Indians, rousing local governments to greater energy, and so on—where he had to deal with the educated classes of the country and their legitimate position and aspirations, he has been reactionary, and even repressive. And it is this reaction and this repression that has driven my countrymen to a position bordering on despair. Let me explain my meaning to you in a few words. There are four fields in which the educated classes, that is to say, those who have received a Western education—for we have our own Eastern learning, and men who receive that education are among the most learned in certain fields; but I am speaking now of Western education, because that education inspires one with an appreciation of free institutions—there are four fields in which the educated classes have been steadily making their influence felt, and in all those four fields the reactionary policy of recent years has sought to put them back. In the first place, a little local self-government was given us by Lord Ripon, and these educated classes naturally exercise much influence

in that limited field. Secondly, they are able to exercise some influence in the spread of higher education. Thirdly, they have a powerful Press, which, in spite of defects inseparable from a state of transition, is steadily gaining in weight and importance, and its influence means the influence of educated Indians. Lastly, a few fairly high offices in the public service are held by Indians—almost everything worth having is monopolised by Englishmen—but a very few offices of some importance are allowed to be held by Indians, and appointments to these offices were hitherto made by means of an open competitive examination, with the result that men of ability, who are usually also men of independence, had an opportunity of entering the public service. Now in all these fields, Lord Curzon has put the clock back. Moreover, it is not only his measures, but also the manner in which he has forced them on the country about which my countrymen feel most bitter. I think this has been the result of the limitations imposed upon him by his temperament and his training. In Mr. Morley's life of Gladstone one striking expression repeatedly occurs—it is what Mr. Gladstone calls "the profound principle of liberty." Mr. Gladstone says again and again that though Oxford had taught him many things, Oxford did not teach him an appreciation of the profound principle of liberty as a factor of human progress. Well, it seems other Oxford men, too, have not learnt how to appre-

ciate that principle. Lord Curzon is no believer in free institutions, or in national aspirations. I believe if he were allowed a free hand he would hand the people of this country back to the rule of the aristocracy that governed here before 1832. Well, Lord Curzon sees that the educated classes of India are pressing forward more and more to be associated with the government of their own country, and he thinks it is not to the interest of England, as he understands that interest, that this should be so. He therefore has tried to put back these men in every one of the four fields of which I have spoken. He has tried to fetter the Press by his Official Secrets Act. In regard to higher education, he has transferred the control of it to the hands of the officials and of such Indians as will always agree with the officials. Then, as regards the few fairly high offices open to us in our own country, he has abolished competition, and made everything dependent upon the pleasure of the officials, thereby enormously increasing official patronage, and making it more difficult for able and independent Indians to enter the public service of their own country. Lastly, he has tried to take away, especially in Bengal, a portion of that self-government which had been given to the people a quarter of a century ago. As if all this retrogression were not sufficient, he ventured last year, in open Council, to explain away the Queen's Proclamation. Ladies and gentlemen, it is with difficulty that

I can speak with due restraint of this offending of his. The Queen's Proclamation has hitherto been regarded, both for its contents and the circumstances connected with the issuing of it, with feelings of gratitude and satisfaction by the people of India. It was issued on the morrow of the dark Mutiny by a Royal woman, in the name of a mighty nation, to a people who had just suffered most dreadful calamities in their own country. And I think England may well be proud of it for all time. The Proclamation assures the people of India that the Queen considered herself bound to them by the same ties which bound her to her other subjects in the Empire, that the prosperity and happiness of the Indian people was the sole aim of her rule, and that everything in India would be freely and equally open to all without distinction of race, or colour, or creed. It is true that in practice this equality has been a mere legal fiction. But then even as a legal fiction it was a very important thing as laying down in theory the policy of a great nation towards a subject people. Now, Lord Curzon, who dearly loves debating, thought it proper to attack the educated classes in regard to their constant reference to this Proclamation. He said in effect: "You base your claim for equality on the Queen's Proclamation. But what does it promise you? It says that you will have equality when you are 'qualified' for it. Now, here we have certain qualifications which can only be attained by heredity or race. Therefore,

as you cannot acquire race, you really cannot have equality with Englishmen in India as long as British rule lasts." Now, apart from the question of your national honour being involved in this—the explaining away of a Sovereign's word—look at the unwisdom, the stupendous unwisdom, of the whole thing—telling the people of India that, unless they were content to remain permanently a subject race in their own country, their interests and those of British rule were not identical. After this, how can any Englishman complain if my countrymen regarded, as they have been latterly regarding, your rule in India as maintained, not to promote their interests, but for a selfish purpose? But Lord Curzon has not stopped even at this. Some time ago he made a speech in Convocation at Calcutta, in which he attacked not only the educated classes of to-day, but also their ancestors, of whom he knows nothing, and the ideals of their race, of which every Indian is justly proud. And then on the top of these things has come the partition of Bengal. Ladies and gentlemen, I don't wish to say anything to-night about the merits of the measure, now it has been carried out. I regret it profoundly. I think it has been a terrible mistake, and it will take long to undo its evil effects, if ever you are able to undo them. But I want to say a word about the manner in which the measure has been forced on that province. About two years ago Lord Curzon started the idea; and instantly there was strenuous

opposition to it throughout the province. About 500 meetings were held in different parts in which the people begged Lord Curzon to leave them alone. For a time nothing more was heard of the proposal, and people thought Lord Curzon had abandoned the partition. A few months ago it was suddenly announced, not only that the partition would take place, but that a much larger scheme than was originally proposed had been sanctioned by the Secretary of State. Now, consider the position. The people had held 500 meetings, they had appealed to the Viceroy, they had appealed to the Secretary of State, they had sent a petition, signed by 60,000 persons, to the British House of Commons; and yet, in spite of all these things, this measure has been forced upon the people. The Lieutenant-Governor of Bengal says that he had consulted his senior officials, as if they were the only people to be consulted in a matter of this kind! No Indians were consulted, not even the men who never take part in politics, who are the friends of Viceroys and the Lieutenant-Governors, heads of distinguished families—not one even of these was consulted; and you find all these men ranged against the partition to-day. Now, is this the way British rule is to be maintained in India after a hundred years? It is this which has driven the people of Bengal to the present feeling of despair. The majority of the people there have lost faith in the character of your rule; and that to my mind is a serious

situation. Now though the main part of the responsibility for this state of things must rest on Lord Curzon, after all it is your system of administration in India that has enabled him to attempt all this repression. My quarrel, therefore, is less with him personally, or with the officials, than with the system—this bureaucratic system, this monopoly of power by officials. Many of these officials are, no doubt, conscientious men, who are trying to do their duty according to their lights. But I contend that these lights are dim. Their highest idea of British rule is efficiency. They think that if they give India an efficient administration the whole of their duty is discharged. But this really is not the whole duty, nor even the main duty, which England has professed to undertake in India. But you have pledged your word before God and man to so govern India as to enable the Indian people to govern themselves according to the higher standards of the West. If your policy is not directed to this end, I shall consider you have failed. I recognise the enormous difficulties, but I say, for one thing, your faces should be set in one direction and one direction only, and there must be no attempt at turning back. Again, even as regards efficiency, my own conviction is that it is impossible for the present system to produce more than a certain very limited amount of efficiency; and that standard has now been already reached. The higher efficiency, which comes of self-government,

that you can never secure under a bureaucratic system. There are obvious disadvantages inseparable from the system. I will mention only three of them. In the first place, there is nobody in the Government who is permanently identified with the interests of the people. It is a strongly centralised system, and all initiation of important measures can only come from the centre. The centre, however, consists of men who only hold power for five years, and then come away here. It is impossible for them to study vast and complicated problems affecting three hundred millions of people and attempt to deal with them during their time. And when they come away, other men who take their place have to begin where they did, and are deterred by the same difficulty. The Civil Service, taken as a body, is very strong, but each member of it individually is not important enough, owing to the centralised character of the system, to be able to initiate any large measure. Then, as soon as these men have earned their pension, they return to this country. And thus the knowledge and experience acquired by them at the expense of the country—which might have been useful to the people after their retirement, if they had remained in India—is wholly lost to the country, and this goes on generation after generation. When these men come back to this country, they get lost in the crowd, their knowledge and experience finding, perhaps, occasional expression in a letter to the newspapers. The result

is that large questions affecting the welfare of the people are generally left to themselves—we, who are permanently in India, have no voice in the government, and can initiate nothing—and this is the first great disadvantage of the system, even from the standpoint of efficiency. The second disadvantage is that which comes of the exclusion of the educated classes from power. This class is steadily growing, and unless you close your schools, colleges, and universities, it will continue to grow. And with the growth of this class, larger and larger grows the number of men who are discontented with the present state of things. Public opinion is practically limited to these men in the first instance, but what they think to-day the whole country thinks to-morrow. And there is no other public opinion in the country. Now, you never can get much efficiency with the whole country in a discontented frame of mind. Lastly, the officials look at every question from the standpoint of their own power. They jealously guard their own monopoly of power, and subordinate everything to this consideration. The interests of the services are thus allowed to take precedence of the interests of the people. You thus see the revenue of the country eaten up by the enormous and steadily growing military expenditure, the increasing home charges, and the extravagant salaries paid to the English officials, while next to nothing is spent on primary education, and industrial

education is absolutely neglected. In the old times, when your rule had to be consolidated, and Western standards had to be introduced into the country, your work was done in a manner which secured the gratitude of the people ; but that gratitude is, I fear, now over. The new generation does not know what was done two generations ago. They only know your rule as it now is, and they only see your officials enjoying a monopoly of power and resisting all the legitimate efforts of the people to participate in that power. New generations are thus growing up full of bitterness for the exclusion of which they have every right to complain. They see the marvellous rise of Japan, and they see that, while in Japan the whole weight of the government has been thrown on the side of popular progress, in India the whole weight of the government has been against popular progress. Now I want you to consider whether such a state of things can be indefinitely prolonged. And, after all, though the bureaucracy actually exercises power, it is on you, the people of this country, that the real responsibility for the government of India rests. I am aware that much good has been done by England in India in certain directions. The Western type of the administrative machinery has been substituted in place of what we once had. The country enjoys now uninterrupted peace and order. Justice, though costly, is fairly dispensed, as between Indian and Indian, though when

it comes to be a matter between Indian and Englishman, it is quite another story. Then you have introduced Western education, with freedom of speech and freedom of writing. These are all things that stand to your credit. Side by side with these there have been great evils. One such evil is a steady dwarfing of the race in consequence of its exclusion from power. Our natural abilities, owing to sheer disuse, are growing less and less ; and this stunting is, in my opinion, an enormous evil. Another evil is economic, and there I hold strongly British rule has produced disastrous results. On this point, I claim some right to speak, for I have been studying this phase of the question for nearly twenty years now. Now, as a temporary necessity of a state of transition, even these great evils might be borne, though they are undoubtedly most serious. But when your bureaucracy attempts to make the present arrangements permanent, the position is simply impossible. The only solution that is possible—a solution demanded alike by our interests and by your interests, as also by your national honour—is the steady introduction of self-government in India, substituting the Indian for the English agency, expanding and reforming the Legislative Councils till they become in reality true controlling bodies, and letting the people generally manage their own affairs themselves. The task, though difficult, is not impossible. What is needed is

large statesmanship and a resolute determination to see to it that the pledges given to the people of India are redeemed within a reasonable span of time. The bureaucracy, no doubt, will not like to part with power, and will do everything it can to thwart this consummation. But, after all, they are only the servants of the British people, and when you have definitely made up your minds they will be bound to carry out your policy. I appeal to you, ladies and gentlemen, to realise the great responsibility that rests on you in this matter. Already the difficulties have been gravely aggravated, and unless radical remedies are applied at once, everything might be too late. I earnestly trust that you will be guided aright in your judgment, and in that faith I have addressed you to-night. Ladies and gentlemen, I thank you most sincerely for the great honour you have done me to-night.



THE SITUATION IN EASTERN BENGAL.

[At the annual dinner of the London Indian Society on Saturday, 5th May 1906, the Hon. Mr. Gokhale delivered the following speech after Mr. Parmeshwar Lall had proposed the toast of the guests—the Hon. Mr. Gokhale and the Hon. Mr. P. Ramanathan of Ceylon:—]

Mr. Gokhale began by expressing his satisfaction at finding himself there that evening in the company of their friend from Ceylon. Though Ceylon was a Crown Colony, and, as such, had now no connexion with India politically, India and Ceylon would continue to be inseparably associated in their thoughts as long as their great epic, "The Ramayana," had its hold on the Indian mind. Speaking at a gathering of his countrymen, Mr. Gokhale could not help referring at some length to what was at that time happening in the newest province of their country. He left India on April 14, and on that very day events were taking place in the province of Eastern Bengal and Assam which constituted a grave outrage on the liberties of the Indian people. "I hope," said Mr. Gokhale, "I am not given to using unduly strong language, but I feel bound to say—and I say it with a full sense of the

THE SITUATION IN EASTERN BENGAL. 687

responsibility of my words—that Sir B. Fuller's Government has in six months done more to discredit the character of British rule in India than have all the denunciations of the worst critics of that rule, Indian and European, ever done during a hundred years; and I think that in breaking up a gathering like the Provincial Conference of Bengal, and in arresting and fining one of the foremost Indians of the day—Mr. Surendra Nath Banerjee—on a miserable pretext, that Government has been guilty of what I can only call incredible, criminal folly.” Mr. Gokhale had devoted the best part of that day to reading the papers that had arrived that morning from India—papers from all parts of the country—papers both Indian and Anglo-Indian—and he had taken every care to get at the facts; and he had little doubt in his mind that their countrymen in Bengal had been subjected to an outrage unparalleled in the annals of British rule in India. And he would go further and say that unless the wrong that had been done was promptly set right, it would be difficult for his countrymen to maintain the same relations with the authorities that they had maintained so long. The speaker then proceeded to give the meeting a brief account of what had occurred. The Provincial Conference of Bengal was instituted about twenty years ago, and, like the conferences of other provinces in India, it did for Bengal what the Indian Nationa

Congress did for the whole of India. Last year's Bengal Conference had been held at a place called Mymensing, and, following the usual practice in the matter, that Conference had fixed Barisal as the place of meeting for this year's Conference. It was on account of that resolution, and not because Bengal had been recently marked out by the new Lieutenant-Governor as a scene for his "resolute government," that the delegates to the Conference assembled last Easter at Barisal. Mr. Rasul, a Mahomedan barrister, whose ardent patriotism had won for him the admiration of his countrymen, was selected to preside over the gathering. The troubles of the delegates from the Western Provinces began before they reached Barisal. Part of the journey from Calcutta to Barisal—that from Khulna to Barisal—has to be done in a steamer, and the authorities were guilty of the extraordinary meanness of throwing difficulties in the way of the delegates getting any food on the way. At a place called Jalabari a hospitable zamindar had pitched a tent near the point at which the steamer touched, and had kept refreshments ready, and the delegates wanted the steamer to stop only for fifteen minutes, so that they might land and partake of them. This was refused. The zamindar thereupon rushed on board with the refreshments, but before he could go back the boat lifted anchor and sailed, carrying the host from his place all the way to Barisal. At

THE SITUATION IN EASTERN BENGAL. 689

Barisal three to four thousand people had assembled to greet the delegates on their arrival, and, following the usual practice, they wanted to carry the President-elect in a procession to the place fixed for his residence. But the authorities forbade the procession, prevented the delegates from landing till all the other passengers had landed, and then insisted on their going quietly to their respective residences! This was on April 13, and the Conference was to commence its sittings on the 14th. The delegates thereupon held a private consultation on the night of the 13th as to what they should do on the 14th, and, after careful deliberation, they decided that they should first assemble the next day at a place called the Raja's Haveli, a short distance from where the Conference was to meet, and that they should then escort the President from there to the place of meeting, not taking even their walking-sticks with them, so as to give no excuse to the authorities for interfering, and walking only in rows of three and four, so as not to be charged with obstructing the road. And this they did the next day, but when about half the delegates had left the Raja's Haveli, and the other half were following, the police, under the direction of their superior officers who were present, charged those who were in the Haveli, and began an indiscriminate assault on men who had not even their walking-sticks with them. It must be mentioned that up to this point the police had received absolutely no provoca-

tion for interfering—even the beautiful, patriotic song, “Bande Mataram,” against which the authorities in the Eastern Province have declared a fierce crusade, had not been sung by any one of the delegates ! It was only after the police began this dastardly and disgraceful assault that the delegates commenced to chant the noble and inspiring words, by way of defiance and out of the bitterness of their souls ! While his men were thus assaulting the delegates, the Superintendent of Police went up to Mr. Surendra Nath Banerjee, who, with the Hon. Mr. Bhupendra Nath Bose and Mr. Mohilal Ghose, was walking ahead, and arrested him ! Thereupon the others also asked to be arrested, but the Superintendent said that his orders were to arrest Mr. Banerjee alone ! This was a most significant statement, showing the feeling of the authorities against Mr. Banerjee personally. Mr. Banerjee was then marched off to the District Magistrate, who had issued the order for his arrest presumably before knowing what part Mr. Banerjee would take in what was to happen on that day. The day was a close holiday, owing to Easter, but the Magistrate was awaiting Mr. Banerjee’s arrival, and, after insulting him and then fining him for contempt of court, because he protested against the insult, went through the farce of a hurried trial, and, without giving Mr. Banerjee the opportunity he demanded of cross-examining the Superintendent of Police, or of obtaining

legal assistance for his defence, inflicted another fine on him for taking part in a procession without a license! The whole affair was conducted with so indecent a disregard of the dignity of a court of justice that it would be a long time before it was forgotten. On the other hand, the complaints lodged by Mr. Banerjee and other delegates against the police for assault were dismissed as frivolous! It was said that a member of the Bengal Legislative Council received a wound in the head at the hands of the police, and several persons were badly injured. The papers also reported that, when the last mail left India, one boy who had been mercilessly beaten was lying in a critical condition in a hospital. This took place on the 14th. When the police stopped their assault the delegates met in conference and resolved that, as constitutional government had ceased to exist in Barisal, they should not go through the whole of their programme, but confine themselves merely to the questions of partition and the Swadeshi movement, and they sang the national song "Bande Materam" ("Hail! Motherland"), with all the fervour which the occasion could not help evoking. The next day, on the Conference re-assembling, the District Superintendent of Police went to the place and demanded from the leaders a guarantee that the national song would not be sung at the close of the proceedings, and that the delegates would not leave the place of meeting in a procession!

The leaders very properly declined to give such a guarantee, whereupon the Superintendent dispersed the Conference by force. This, as far as Mr. Gokhale could gather from the papers, was what had taken place at Barisal, and he thought that they had a right to demand, and that it was the duty of the Government to grant, a searching and independent enquiry into the whole affair. If the enquiry showed that the facts were substantially as they had been reported in the papers, they would be entitled to ask, not only that the officials who were immediately responsible for the outrage should be properly punished, but also that Sir B. Fuller, who had done more than any man in recent years to bring British rule into evil repute with the people, should be removed from his present office ; for it was impossible, after what had happened, for the people of Eastern Bengal and Assam to have anything to do with their present ruler. Mr. Gokhale proceeded next to make a few general observations on what had happened, and said : "Ladies and gentlemen, though I resent as much as any man can what has taken place in Barisal, I am not sure that I am altogether sorry that events there have taken this turn. We have got to realise that the few liberties that we enjoy at present have really not been won by us, but that they have been the free and spontaneous gift of a succession of large-hearted and far-sighted statesmen, whose places, in

some cases at any rate, have now been taken by unworthy successors. They have not come to us hallowed by suffering and sanctified by sacrifice—and until they have been re-won by us on this basis, they must continue, as at present, dependent upon the sweet will of autocratic rulers. Another thing we have got to realise is that we are now only at the beginning of the real struggle, and as day succeeds day the character of this struggle will grow more and more, and not less, arduous.” The speaker then turned to some of the observations of previous speakers. “Much disappointment,” he said, “has been expressed to-day that the accession of Mr. John Morley to the office of Secretary of State for India has so far made no change for us, and that, in some respects, the position has actually grown worse. I can understand this feeling, which I know was widely prevalent in India when I left, and which has found such vigorous utterance in this hall this evening. But, ladies and gentlemen, are we sure that we are quite fair to Mr. Morley when we express such disappointment? He has been at the India Office for only five months, and most of the time his attention has been distracted, first by the General Election, and then by questions like Chinese labour and the Education Bill, to which, with the position he occupies in his party, he cannot be expected to be indifferent. Indian questions are altogether new to him, and even a man of his great

gifts must take time to grasp properly problems affecting three hundred millions of people living at a distance of six thousand miles in a land which he has never visited. And till he has so grasped these problems how can anyone reasonably expect him to override the officials on the spot in India and their representatives—the members of the India Council—in this country, on the strength of his sympathies alone? Ladies and gentlemen, like so many of my countrymen, I have been a profound admirer of Mr. Morley since my college days, and I feel towards him as towards a master. I have learnt much from his books, and his writings have helped to sustain me when much else on which I had relied seemed to give way. I have no doubt in my own mind that as soon as Mr. Morley has acquired a fair working knowledge of Indian problems—and he cannot take long to acquire it—his sympathies, which are evidently being held in check at present, will assert themselves, and the bureaucracy in India will be made to realise that the vast power which the Secretary of State for India wields may not always be exercised to back them up in their attempts to crush the growing aspirations of the Indian people. A man who all through his life has held the banner of freedom high, and who has made sacrifices for his convictions, may surely be trusted not to discredit wholly his own teachings when it comes to be his turn to put them into practice. Ladies and gentlemen, it

is only just that Mr. Morley should have fair play, and I think it is in the last degree unwise for us to be in such a hurry to pronounce an opinion on his administration. We must, of course, be firm, and we must be watchful, and I, for one, am expectant. But we shall only harm ourselves by being impatient. Having described the ideal of Indian reformers as that of self-government on Colonial lines, Mr. Gokhale proceeded: "How soon or how late this ideal is realised depends really upon ourselves. Our numbers are so great that no power on earth can bar our way for any length of time, if only we are true to ourselves. But much work has to be done, and enormous sacrifices will have to be made before any real advance in this direction is secured. What we need to-day above everything else is a band of workers who will give up their all for the country, and spread the gospel of unity and patriotism far and wide throughout the land. The curse of a tendency towards disintegration which still rests upon us must be lifted. Our love of the Motherland must grow so fervent and passionate that it will turn all sacrifice for India into a pure joy. And the workers must maintain resolute discipline in their ranks. What the situation requires is not new ideas, but sacrifice—not talk, but work—work early and work late—work when it is dawn and work when it is dark. We are entitled to do such work for our country, and it is entirely in accord with the declared object of British

rule in India. We are anxious to do this work without disturbing the harmonious relations that have hitherto existed between Indians and Englishmen, and if those who wield power at present in our country choose to turn their backs on solemn promises given in the name of England, and thereby make a continuance of harmonious relations impossible, the responsibility for disturbing these relations will lie on them and not on us. Ladies and gentlemen, I do not wish to detain you longer. No one knows what the future has in store for us, or how much fulfilment our own eyes may witness before they close. But one thing is quite clear. There is nothing in this world of ours which may not be achieved by men whose lives are inspired by patriotism, sustained by faith, and ennobled by sacrifice. India expects that such men shall now come forward in sufficient numbers in her service. If this expectation is realised, all else will be well."

RECALL OF SIR B. FULLER.

[On Saturday, the 19th May 1906, a meeting was held at the Holborn Restaurant of the London Indian Society to protest against the repressive acts of the Government of Eastern Bengal and Assam and demand the recall of Sir Bampfylde Fuller, the Lieutenant-Governor. Mr. Dadabhai Naoroji, President of the Society, introduced the Hon. Mr. Gokhale, who then moved the principal resolution in the following speech :—]

Before dealing with the subject he pointed out that, although he had but recently come over from India, it was not quite correct, as their chairman had informed them, to say that he had come from the very atmosphere of the agitation and excitement. He left India on April 14, the day upon which the assault on the delegates took place at Barisal, and he knew nothing about this particular affair until he had reached Marseilles. So far as the general position in Bengal, however, was concerned, he might fairly claim to speak with special knowledge. (The Chairman : "That is what I meant.") Before leaving India he had been for four months continuously in Calcutta, the capital of Bengal. The Indians in

London, in holding that meeting, were only following in the wake of their countrymen in all parts of India, where, according to a recent telegram in the *Daily News*, 142 public meetings of protest had already been held in the different provinces, and more were being held every day. At a time of such general excitement and indignation, he thought it was more than ever necessary for them to keep their heads cool and state whatever they had to state with a due sense of restraint. Care must be taken not to make any wholesale charges against the British Government in India on the strength of the discreditable proceedings in Eastern Bengal, which they had assembled that day to deplore and condemn, because it was only fair to remember that, though the indignation at those proceedings was universal throughout India, the proceedings themselves had been confined to only one out of seven provinces, and the other Provincial Governments had done nothing to be bracketed with the Government of Eastern Bengal and Assam. Mr. Gokhale also thought it fair to mention that, in his opinion, the Viceroy of India could not be in sympathy with his Lieutenant in Eastern Bengal in the matter. True, they all would like to see Lord Minto pulling up Sir B. Fuller—sharply and once for all. But, even then, while he agreed with those who considered that it was the plain duty of the Viceroy to so pull up Sir B. Fuller, and that it was unfortunate and even lamenta-

ble weakness not to so pull him up, he could understand the delicacy of feeling which made a new Viceroy hesitate to interfere decisively and openly with the acts of the head of a Provincial Administration. With these preliminary observations, the speaker addressed himself to the resolution, which he had to offer for the adoption of the meeting. He said it was now seven months since that evil and ill-fated measure—the Partition of Bengal—had been forced by Lord Curzon on the people of that province, in spite of their most vehement protests and in the face of a plain warning that such trampling of public opinion under foot was bound to cause trouble, even in India. The feeling against partition was equally strong and equally bitter in both sections of the divided province. Indeed, if anything, it was stronger and more organised in the Western Province than in the Eastern, as a majority of their Bengali brethren were in the Western Province, which, further, included Calcutta, the capital. And yet, in spite of this, how was it that while the Western Province continued to be administered on ordinary lines, the Eastern Province alone found it necessary to have recourse to such extraordinary measures of repression? The speaker thought that this was a very fair question to ask, and he was sure that anyone who attempted to frame an honest answer to it would at once see where the responsibility really lay. The fact was that the Western Province was presided over by

Sir Andrew Fraser, an administrator who, whatever criticism might be directed against some of his measures, had proved himself to be a patient and cool-headed officer ; whereas in the Eastern Province Sir B. Fuller's conduct was characterised by an amount of excitability, want of tact, and wrong-headedness, which showed him to be unfit for his great and highly responsible post. Sir B. Fuller's only idea of dealing with popular discontent was by methods of force—and since he had been appointed Lieutenant-Governor of Eastern Bengal he had pursued that policy in so aggressive and determined a manner that there was no hope of peace in this province until he was relieved of his duties. Mr. Gokhale then proceeded to state briefly what it was that their countrymen in Bengal charged Sir B. Fuller with. The particular outrage at Barisal complained of in the resolution was only the last of a series of grossly repressive acts. For the past six months he had taken measure after measure against the popular liberties—and had governed the province in a manner which had sorely tried the patience of the people. He had been guilty of grave and offensive discourtesy to popular leaders—men of high position in the Indian world. He had declared a fierce crusade against the schoolboys of his province, and parents and guardians would find it difficult ever to forgive him for that. In all backward countries, especially in countries governed by bureaucracies, the

young men of the country were the standard-bearers of a new hope ; they bore the torch of a new light—the light of freedom and popular aspirations. And the boys of Eastern Bengal were like boys in other parts of India. Sir B. Fuller, therefore, took it into his head that if what he called the disaffection of the people was to be put down, he must first of all put down the boys of his province ! As a consequence, several hundred boys had been expelled from the schools on account of their singing the national song or being present at Swadeshi meetings. But that was not all. Had it been simply a case of expelling the boys from the schools that would have been serious enough, yet not quite so serious, because if the people had any real grit in them they would start their own schools, independent of the Government, for the education of these boys ; but the Lieutenant-Governor, not satisfied with mere expulsion, had, in several cases, directed criminal proceedings against the lads. The result was that during the last five months scenes had been witnessed in India such as had never been witnessed anywhere else—schoolboys of a tender age sentenced to rigorous imprisonment or heavily fined, in one case actually two little children of nine and ten had been placed in the dock to undergo regular trial, for being members of an unlawful assembly. It was true that the Magistrate, in the end, let off those children, but what must have been the anxiety and suffering of the parents during

the time the trial lasted ! The whole thing was too ludicrous for laughter and too sad for tears. Another of Sir B. Fuller's measures of repression was the quartering of military and punitive police on the people of Barisal and other places. And it was only under pressure from the Viceroy that, after a time, the police were withdrawn. Then Sir B. Fuller had tried to intimidate the independent Press of his province, and, in that connexion, Mr. Gokhale narrated how a paper in Assam, called the *Weekly Chronicle*, had been treated. The Lieutenant-Governor's next attack on popular liberties took the shape of dispersing public meetings and prohibiting them in public places. And, emboldened by his success, he next sought to prohibit meetings even on private grounds. Then came the prohibition of street processions and the singing of the beautiful national song, "Bande Materam." One point Mr. Gokhale desired to emphasise in connection with all these measures of repression. It was not pretended, even by the authorities, that a public meeting in any place or a public procession or the singing of the noble national song had, even in a single instance, been followed by a breach of the peace by those who took part in them. The only breaches of the peace so far committed in Eastern Bengal had been by the alleged guardians of public peace—the police. On the top of all this came the astounding, the incredible folly of the officials at

Barisal. Having briefly glanced at the facts of the occurrence, as gathered from both the popular and the official versions, Mr. Gokhale proceeded to develop his contention that there were four separate matters in that affair which called for prompt enquiry and redress. First, there was the cowardly, brutal, and entirely unprovoked assault by the police on the delegates to the Conference on April 14. The second was the treatment of their great countryman, Mr. Surendra Nath Banerjee. Mr. Gokhale could safely predict that Mr. Emerson, the District Magistrate of Barisal, had achieved for himself an unenviable notoriety, and that his name would be a by-word of official insolence and unscrupulousness for a long time to come in India. Then there was the conduct of the Deputy Magistrate in regard to the complaints of the delegates about police assault, and the dismissal of these complaints as frivolous by the District Magistrate without any enquiry. And last, and gravest of all, there was the dispersal by force of a constitutional and long-established gathering like the Bengal Provincial Conference. They demanded a searching and independent enquiry into these four matters. If the main facts of the occurrence were not in dispute, there still remained the question of responsibility, and the speaker was clearly and emphatically of opinion that there must be a thorough and independent enquiry into the whole affair. It might be said that the High

Court would give whatever redress was needed. But, surely, when such a gross outrage on popular liberties and such wanton brutality had been committed by the Executive, the Government was not going to content itself with having the question considered on the narrow and technical grounds of law only; it was, in the speaker's opinion, more a question of Government policy than of law, and they must respectfully insist on executive action to set right an executive wrong. Moreover, moving the High Court for redress was a very expensive thing, and it was not everyone who had been wronged that could resort to it. There must, therefore, be a special enquiry directed by the Government of India into the whole affair, if the confidence of the people in the character of British rule, already rudely shaken, was not to be destroyed altogether. And the officials who would be found to be responsible for the outrage must be promptly and adequately punished. Mr. Gokhale recognised with gratitude that Mr. Morley and Lord Minto had already moved in the matter in the right direction. The withdrawal of the circulars against processions and the singing of the national song, and the restoration of expelled boys to schools was an important first step towards conciliating the people, but it was only the first of several steps that were necessary, and he earnestly trusted that the good work so well begun would be carried steadily forward to

completion. They saw, for instance, from a telegram in that morning's *Daily News*, that the prohibition of public meetings in public places still remained, and that must be withdrawn. Above all, it was impossible to have peace in the Eastern Province as long as Sir B. Fuller was permitted to remain at its head. The Government might send him anywhere else they pleased, but Bengal was clearly not the province for him. In conclusion, Mr. Gokhale appealed to the audience to maintain the agitation in an earnest and persistent spirit, as questions of grave constitutional importance were involved in the matter.

ENGLAND'S DUTY TO INDIA.

[*The following is the full text of a speech delivered by the Hon. Mr. Gokhale on Wednesday, the 15th November 1905, at the National Liberal Club, London:—*]

SIR HENRY COTTON, LADIES AND GENTLEMEN,—
I feel very grateful to the Political Committee of the National Liberal Club for their kind invitation to me to address them this evening on the subject of India. Political reformers in India are, in one sense, the natural allies of the Liberal Party in England; for we, in India, are struggling to assert in our own country those very principles which are now the accepted creed of the Liberal Party in England. Peace, retrenchment and reform are our watchwords, as they are yours. We are like you seeking to throw open to the unprivileged many the advantages which at present are a monopoly of the privileged few; and we are fighting against the predominance of the interests of a class over those of the mass of the people. It is true that I use the word 'allies' only in a limited sense—in the sense of parties that have a common aim, even though they do not take joint or common action in pursuing that aim. And I recognize that, as things are, we can't claim to be allies of the Liberal Party in any fuller sense of the term, for the

simple reason that we have nothing to offer the Liberal Party in return for what it can do for us, except the gratitude and attachment of a helpless people, and this may not count for much in the eyes of many. However, of one thing I am certain—that we are entitled to look for sympathy and support from the Liberal Party when we address our appeal to that party for a large and steadily increasing measure of self-government being conceded to the people of India. Ladies and gentlemen, it is now, roughly speaking, a hundred years since the destinies of India and England came to be linked together. How we came under your rule is a question into which no useful purpose will be served by enquiring on an occasion like this. But two things I wish to say for my countrymen. First, that because we came under the rule of foreigners, it does not mean that we are like some savage or semi-civilized people whom you have subjugated. The people of India are an ancient race who had attained a high degree of civilization long before the ancestors of European nations understood what civilization was. India has been the birth-place of great religions. She was also the cradle and long the home of literature and philosophy, of science and arts. But God does not give everything to every people, and India in the past was not known for that love of liberty and that appreciation of free institutions which one finds to be so striking a characteristic of the

West. Secondly, because the Indians are under the rule of foreigners, it does not follow that they are lacking in what is called the martial spirit ; for some of the best troops that fight the battles of the Empire to-day are drawn from the Indians themselves. I mention these two things because I want you to recognize that, though we have lost our independence, we have not, on that account, quite forfeited our title to the respect and consideration of civilized people. Your earlier race of statesmen, indeed, never failed to recognize this freely. They perceived the finger of Providence in the succession of events which ultimately set a small island at one end of the world to rule over a great country at another end of the world ; and they were quite sincere when they stated that they regarded India as a solemn trust and that they would administer the country in the spirit in which all trusts ought to be administered, *i.e.*, with the sole object of promoting the best interests of the Indians themselves. Well, a hundred years have now elapsed since then and no one can charge us with being in a hurry to pronounce an opinion, if we now pass under review the results of your hundred years' rule in India. The first task that confronted your statesmen in India was naturally the consolidation of your rule, and this they proceeded to effect by introducing into that country the appliances of your material civilization and by elaborating there an administrative machinery con-

forming to the type that prevails in the West. And, on the whole, this work has been extremely well done. The country is now covered with Railways and Post Offices and Telegraphs. Peace and order reign throughout the land. Justice, though costly, is fairly administered as between Indian and Indian, though, when it comes to be a matter between Indian and Englishman, it is another story. Of course, the machinery of administration that has been evolved is by no means perfect—there are obvious defects of a serious character which need not be there—but, on the whole, I repeat, this part of your work has been extremely well done and you are entitled to regard it with a just sense of satisfaction. Side by side with consolidation, your statesmen had to undertake another work—that of conciliation. And this work of reconciling the people of India to the rule of foreigners—a difficult and delicate task—has also been satisfactorily accomplished. This result has been achieved by the Parliament and the Sovereign of England enunciating a noble policy towards India and by the introduction into that country of what is known as Western education—the same kind of education that is given to your youths in your schools and colleges—an education that, among other things, inspires one with a love of free institutions. Three-quarters of a century ago, your Parliament passed an Act, known as the Charter Act of 1833, laying down the principles on which the

government of India was to be based. And twenty-five years later, the late Queen addressed a Proclamation to the people of India reiterating the same policy. The Charter Act of 1833 and the Proclamation of 1858 pledge the word of your Parliament and your Sovereign to the people of India—and these are the only two authorities that can speak in your name—that the sole aim of British rule in India is the promotion of the interests of the Indian people and that, in the government of the country, there would be equality for the two races, no disability of any kind being imposed on any one by reason merely of race or colour or creed. A policy so enunciated was bound to win all hearts and it went a long way to reconcile the people of India to your rule. Along with this enunciation of the principles of your government, came the opening of schools and colleges such as you have in your own country, and it is a remarkable fact that the three older Universities of India were established almost during the dark days of the Mutiny. Be it remembered, also, that the gates of Western knowledge were thrown open to us with a clear anticipation of the results that were likely to follow; and in a well-known speech Lord Macaulay used memorable language in this connection. He observed that it was, perhaps, inevitable that the people of India, having been brought up in Western knowledge, would, in course of time, demand European institutions in the government of

their country, and he said : " Whether such a day will ever come I know not ; but never will I attempt to avert or retard it. Whenever it comes, it will be the proudest day in English history." Thus your declared policy towards India and the introduction of Western education, joined to your higher Western standards of government, effected the work of conciliation in a satisfactory manner, and twenty years ago, an Englishman going out to India would have found on every side a frank acceptance by the people of British rule as their national rule, as they then fully believed that, under that rule, they would be allowed to work out their own salvation and eventually attain the Colonial type of government—so that they could remain within your Empire and yet have a position worthy of their self-respect. And if to-day this faith has been seriously weakened, it is because your statesmen have now been hesitating at the third stage that has become inevitable after consolidation and conciliation—the stage of reconstruction. When you first started your work in India, when Western standards of administration had to be introduced into the country and there was no Western education to enable us to understand those standards, it was, perhaps, indispensable that all power should be lodged in the hands of a few English officials. But now that the schools and colleges and universities have been doing their work for half a century and

more and when a large and steadily increasing class of men educated after the Western model—a class qualified and anxious to take part in the administration of the country—has come into existence, you must reconstruct the foundations of your rule so as to find room for these men inside the administration, if the pledges given in your name are intended to be redeemed. Unfortunately it is here that the statesmen responsible for the government of India are hesitating, with results which already threaten to be disastrous. Twenty-five years ago, indeed, a noble attempt was made by a great Englishman, who went out to rule there as Viceroy, at such reconstruction, and his name is cherished to the present day with feelings of the deepest affection and gratitude throughout India. Lord Ripon—that is that Viceroy's name—strove hard and manfully for five years to liberalise the foundations of British rule in India and introduce, to some extent, those changes in the administration of the country which the people had been led to expect and which the spread of Western education among them had rendered inevitable. He gave the country a little local self-government; he gave an important stimulus to education; and he tried to remove some of those glaring inequalities between the Indian and the Englishman which at present prevail in that country. What was the result? He exposed himself to such fierce persecution at the hands of his own

countrymen in India, that no successor of his has ventured to repeat his experiment. Not only that; during the last few years, a reactionary policy has been pursued towards the educated classes of the country and this reaction has taken the form of active repression during the last three years of Lord Curzon's administration. Now, I want you to see that such repression can never succeed. According to the last census, there are a million men in India to-day who have come under the influence of some sort of English education. You cannot hope to keep this large and growing class shut out completely from power, as at present. Even if it were possible to perpetuate the present monopoly of power by the bureaucracy, your national honour demands that such an attempt should not be made. But it is not possible, and any attempt to achieve the impossible can only end in disaster. Already great harm has been done. The faith of my countrymen in British rule, so strong at one time, has been seriously weakened and large numbers of young men are coming forward who do not believe in it at all. The situation is one that must fill all thoughtful minds with serious apprehensions about the future, and unless you here realize it properly, it is difficult to see how it is to mend.

Ladies and gentlemen, I have admitted that your countrymen are entitled to great credit for having introduced into an oriental country the western type of

the machinery of administration. But, after all, such machinery is a means to an end—it is not the end in itself. It is, therefore, necessary to consider how far the best interests—material and moral—of the people of India have been promoted by your administration during the last hundred years. This, in reality, is the main test,—I had almost said the supreme test. If the results, judged by this test, were satisfactory, however much one might object on principle to the present form of government maintained in India, there would be something to be said in its favour. If, on the other hand, these results are found to be on the whole unsatisfactory, for the sake of your national honour as also in the interests of the Indian people themselves, a reconsideration of the existing arrangements becomes necessary. Let us first consider the moral results. These, it will be found, are of a mixed character. There is a great deal in them which you may regard with satisfaction and even pride. The blessings of peace, the establishment of law and order, the introduction of western education, and the freedom of speech and the appreciation of liberal institutions that have followed in its wake—all these are things that stand to the credit of your rule. On the other hand, there are great evils too, and of these none, to my mind, is so great as the continuous dwarfing or stunting of our race that is taking place under your rule. Our rigorous exclusion from all power and all

positions of trust and responsibility, on a scale never before attempted in the history of humanity, involving, as it does, an enforced disuse of our national abilities—is leading to a steady deterioration of our race, and this, I venture to think, is a cruel, an iniquitous wrong you are inflicting upon us. According to a Parliamentary return published in 1892, there are in India altogether about 2,400 offices carrying a salary of £700 and upwards, and of these only about 60 are held by Indians, and even most of these are of a comparatively low level. Another great evil is indicated by the present political status of the Indian people. All the three hundred million of them put together have not got, under the constitution, as much power as a single elector in England to affect the position of the Government. Then the entire population is kept disarmed and as though it was not enough humiliation to the Indians to be deprived thus of their natural right to bear arms in defence of their hearths and homes, England has recently entered into an alliance with another oriental nation—a nation that has borrowed much in the past from India—to repel foreign aggression on the borders of India and, incidentally, to perpetuate the present state of bondage for the Indians themselves. This is our position in our own country. If we go to your self-governing Colonies like Natal, we are treated as outside the pale of civilisation and they object to our walking on the foot-

paths, or travelling in first-class carriages, or seeking accommodation at hotels ! In Crown Colonies like the Transvaal, our humiliation is even more complete. Among the reasons for which you went to war with those two Boer Republics, wiping them, in the end, out of existence, you made rather prominent mention of certain ordinances which the Boer Governments had promulgated against the Indians residing within their territories. But though these ordinances existed on paper in the time of the Boer Republics, they never were actually enforced, because those Governments were afraid of the mighty arm of England that they thought was behind the Indians. But now that the territories have become Crown Colonies, and are under the control of the English Colonial Office, these same ordinances, incredible as it may seem, are being rigorously enforced against us. If this is our position in your Empire after our having been a hundred years under your rule, I am sure no one will pretend that the moral results of your rule may be regarded with satisfaction. Let us now turn to the material results, and here, I am sorry to say, the verdict is even more emphatic against your rule. I firmly believe, and I say this after a careful study of about twenty years of the question, that the economic results of British rule in India have been absolutely disastrous. That the mass of the people in India are at present sunk in frightful poverty is now admitted by all, including the most

inveterate official optimist. A few facts, however, may be mentioned to bring this home clearly to your minds. Your average annual income has been estimated at about £42 per head. Ours, according to official estimates, is about £2 per head and according to non-official estimates, only a little more than £1 per head. Your imports per head are about £13 ; ours about 5s. per head. The total deposits in your Postal Savings Bank amount to 148 million sterling and you have in addition in the Trustees Savings Banks about 52 million sterling. Our Postal Savings Bank deposits, with a population seven times as large as yours, are only about 7 million sterling and even of this a little over one-tenth is held by Europeans. Your total paid-up capital of joint-stock companies is about 1,900 million sterling. Ours is not quite 26 million sterling and the greater part of this again is European. Four-fifths of our people are dependent upon agriculture and agriculture has been for some time steadily deteriorating. Indian agriculturists are too poor and are, moreover, too heavily indebted to be able to apply any capital to land, and the result is that over the greater part of India agriculture is, as Sir James Caird pointed out more than twenty years ago, only a process of exhaustion of the soil. The yield per acre is steadily diminishing, being now only about 8 to 9 bushels an acre against about 30 bushels here in England; the losses of the agricultural com-

munity during the famines of the last eight years in crops and cattle have, according to a competent commission, amounted to 200 million sterling. Forty millions of people, according to one great Anglo-Indian authority—Sir William Hunter—pass through life with only one meal a day. According to another authority—Sir Charles Elliot—seventy millions of people in India do not know what it is to have their hunger fully satisfied even once in the whole course of the year. The poverty of the people of India thus considered by itself, is truly appalling. And if this is the state of things after a hundred years of your rule, you cannot claim that your principal aim in India has been the promotion of the interests of the Indian people. But this is not all. I think there is ample evidence to show that even this deplorable condition of the mass of people in India has been further deteriorating steadily. Thus famines are growing more frequent, their extent is larger and the suffering they occasion more acute and widespread. Then during the last seven years, the plague has been ravaging the country in addition to famines. Now to those who consider the matter superficially, the plague may appear to be only a Providential scourge. But it really carries away hundreds of thousands of people, because, owing to constant under-feeding, the people have not got the stamina to resist the attacks of plague. Then it will be found that in the last decade of the 19th century,

the population in the older provinces of India has been stationary and in some of them it has even declined ! But the most conclusive testimony on this point—a testimony that there is no getting over—is supplied by the death-rate of the country. Let us take the last twenty years—I take this long period of twenty years, because we shall not then be open to the charge that we have only taken a few years rendered abnormal by famine or plague—and to emphasize the situation, let us compare the movement of the death-rate in India with that of the death-rate in England during the same time. Let us divide these twenty years into four periods of five years each—that is the only way to present a fairly reliable generalization—and what do we find ? In the first period of five years, an average annual death-rate was between 24 and 25 per thousand ; yours at that time was about 20 per thousand. In the next five years, ours rose from under 25 to about 28 per thousand. Yours, on the other hand, owing to the greater attention paid to the condition of life of the working classes, fell from 20 to between 18 and 19. In the third period of five years, our death-rate further mounted from 28 to 30 per thousand. Yours again came down from over 18 to about 17. Finally, in the last period, ours went up still higher—from 30 to about 32, while yours has fallen still further from 17 to less than 16. For the last year it stands, according to the Statistical Abstract for British India

recently published, at about 35 per thousand. Thus during the last twenty years, while your death-rate has been steadily declining, ours has risen by no less than 10 per thousand, which on a population of three hundred millions means three million deaths annually more than was the case twenty years ago. Surely this is a frightful sum of human misery and you must find out where the responsibility for it is, for there must be responsibility somewhere. I think I need not say anything more on the subject of the material condition of India. To any one who looks beneath the surface, this fearful impoverishment was bound to result from the peculiar character of British rule. The administration by a foreign agency is so costly and the dominant position of the Englishman's position in every field gives him such an advantage in acquiring wealth in India, that a large drain of wealth has continuously gone on for years and years from India to England. During the last forty years, the net excess of our exports over imports has amounted to about a thousand million pounds. No country—and least of all a poor country like India—can stand so large a drain; and steady impoverishment has been the natural consequence. Well, things cannot go on at this rate for long, and the only remedy for the state of things must be sought in the steady association of the people of India with the administration of their own affairs till at last the colonial type of government is reached. As

things are managed at present, the real interests of the people do not occupy the first place nor the second place nor even the third place on the slate of Government. Nearly half the net revenue is eaten up by army charges. Large salaries are paid to English officials and the charge on their account is steadily rising. Nearly one-third of the net revenue is withdrawn from India to be spent in this country for purposes of the Government. Railway extension has taken precedence of irrigation in the past, because English capitalists are interested in the former. The progress of the people is obviously bound up with the spread of primary education—but how little so far has been done may be seen from the fact that, at the present moment, four villages out of every five are without a school-house and seven children out of eight are growing up in darkness and all the moral helplessness which comes of such darkness. The greatest need of the hour at present in India is industrial education, and yet there is not a single decent technical institute in the whole country. The truth is, there is nobody at present in the Government of India whose interests are permanently identified with those of the people. As long as this state of things continues, it is hopeless to expect that large questions which are urgently pressing for solution and which must be dealt with in a statesmanlike manner with the sole aim of promoting the interests of the people—such as the

spread of primary education and of industrial education, the fearful indebtedness of the peasantry and such others—will receive the attention they require.

Ladies and gentlemen, I think I have said enough to establish to you the necessity of reconstructing the present bureaucratic form of administration in India on more liberal lines so as to associate the people of the country with that administration. At present there is no real control on the actions of this bureaucracy anywhere. We in India have, of course, no control whatever. The Secretary of State for India is expected to control the administration generally, but he is a man who has never been to India and has, therefore, no personal knowledge of anything. The constitution, recognizing this disadvantage, has given him a Council of ten members to advise him. But as there is no Indian on this Council, and most members are retired Anglo-Indian officials, the bias of the Council is all in favour of the purely official regime. The Parliament in theory has the power of controlling the Government of India, but the Secretary of State for India, being a member of the Cabinet, can always count on a standing majority to support him and the control of Parliament thus becomes purely nominal. There is thus practically no real control anywhere, and every Liberal must admit that this is a very serious evil. Well, what the people of India ask now is that they

themselves may be given an opportunity to exercise some sort of control over the Government. We recognize the enormous difficulties of the position and we don't ask for democratic institutions at once. Our immediate demands are, in fact, so moderate, that you will, I have no doubt, be astonished at our moderation. Take the Viceroy's Legislative Council in India. It consists of 25 members of whom only 4 are elected Indians. This Council is allowed to discuss the finances of the country one day in the year, but there is, of course, no real discussion and no votes are taken and no amendments allowed to be moved, as the Budget has not to be passed. Well, we ask in the first place, that half the number of this Council should be elected and the other half nominated by Government, the Viceroy, moreover, retaining the power of veto. We further ask that the Budget should be passed formally, and that we should have the right to move amendments, the right for the present being limited to, say, one amendment each member. This is as regards the Viceroy's Council. In the smaller Provincial Councils, we ask for larger opportunities to influence the administration of the finances, as the Provincial Governments deal only with internal affairs. Then we ask that of the ten members of the Secretary of State's Council, at least three should be Indians, so that he should have an opportunity to understand the Indian view of things before he makes up his mind on any question. Finally,

we ask that at least half-a-dozen Indians—two for each of the three leading Indian Provinces—should be allowed to sit in the House of Commons. Six in a House of 670 will not introduce any disturbing factor, and we certainly shall not affect the fate of ministries. But, in the first place, such representation will definitely associate us with a body which controls the whole Empire and will thereby raise our status. Secondly, the House will have an opportunity to know first hand the Indian view of things; and though we may be only six, when we are unanimous, we shall represent a moral force which it will not be easy to ignore. It may be said that if India is allowed representation in the House of Commons the Colonies will ask for the same. But the Colonies have their own Parliaments and the English House of Commons is not expected to exercise any direct control over their Governments. I may mention that the French Colonies send deputies to the French Chamber. These, ladies and gentlemen, are our immediate demands. Of course, these measures will have to be supplemented by a large amount of decentralization of authority in India, providing checks on the actions of the bureaucracy on the spot. But for this our agitation must be in India and not in England. I trust you are satisfied that we are aiming at nothing revolutionary and that what we are immediately asking for is only a small instalment in the direction of self-government. The

time is more than ripe for such an instalment being conceded, and I trust our appeal to the Liberal Party of England for its sympathy and support in the matter will not have been addressed to it in vain.



THE HOME CHARGES.

[A very largely attended public meeting of the inhabitants of Bombay was held on Saturday, July 15th, 1893, in the hall of the Framjee Cowasjee Institute, under the auspices of the Bombay Presidency Association, to adopt a memorial to the House of Commons on the subject of the Home Military Charges in India. The Hon. Sir (then Mr.) P. M. Mehta was in the chair and Mr. Gokhale moved the adoption of the memorial in the following speech :—]

Under ordinary circumstances, I should have hesitated to take upon myself the responsibility of proposing a resolution on so difficult and so complicated a question as the Home Military charges of India. But my task has become materially lightened by the very interesting debate which took place on this subject in the House of Lords about two months ago on a motion brought forward by the Earl of Northbrook. I think, gentlemen, and I am sure you all think with me, that Lord Northbrook has rendered a high and valuable service to the people of this country by raising his voice in the way he has done,—I mean by raising his voice in so firm and emphatic a manner—against the injustice to which India has, for years past, been subjected in this matter of the Home Military charges. It is clear that His Lordship means business, for he has

followed up the debate of 15th May by moving for papers that passed between the Government of India and the Home Government between 1874 and 1876, *i.e.*, at a time when he himself was Viceroy of India. Gentlemen, it is an undoubted advantage to our country that so cautious and so hard-headed a man as Lord Northbrook has, on the present occasion, stood up for justice to her. For if it means anything, it means that there is something really rotten and really intolerable in the existing arrangements. Remember, gentlemen, Lord Northbrook speaks with uncommon authority and unrivalled knowledge on this subject. He was at one time Viceroy of India, and it was while he was Viceroy that a Select Committee of the House of Commons—I mean the East India Finance Committee of 1874—made an exhaustive inquiry into this matter and reported that India was unjustly burdened with many charges which ought in fairness to be borne by the British Exchequer. Naturally Lord Northbrook had then to pay great attention to this subject, and he pleaded the cause of India with great earnestness and force. Then, since his return to England, he presided, with some short intervals, up to last year, over a Commission which was appointed by the British Treasury in connection with this matter. His Lordship has thus had this question before him, as he himself stated in the House of Lords the other day, for full

twenty years. And his utterances in regard to it are, therefore, entitled to the greatest weight. Then, gentlemen, remember it is not Lord Northbrook alone who has raised this question. The Indian public opinion—as represented by Mr. Martin Wood, the late Robert Knight, the late Kristodas Paul, the late Mr. Naoroji Furdunji, and Mr. Dadabhai Naoroji—has in the past often protested against the iniquity of the treatment accorded to India. And before the first National Congress, my friend Mr. Wacha made a remarkable speech on this subject. I call that speech remarkable because, as you will find if you read it, in that speech that our friend anticipates Lord Northbrook in many of his complaints. And when you think of that, when you think of the earnest and patient study which our friend has given to this and other equally difficult subjects, I am sure you will say to yourselves—as I said to myself—“How much better it will be if some of those who are disposed to find fault with our friend, because sometimes he speaks out his mind too directly and disdains to act on the principle that language is more for the concealment of thought than for its expression, would take a leaf out of his book and devote some portion of their time to a study of these important questions” ! Then, gentlemen—and this is a matter of far greater importance—successive Viceroys and Secretaries of State for India have, one after another,

protested against these charges as excessive and unjust. Lord Mayo did this; Lord Northbrook, as I have already said, did it in the past and is yet doing it. Lord Lytton wrote against these charges and wrote strongly and with his usual candour. The Marquis of Ripon addressed to the Home Government a very earnest remonstrance on the subject. Lord Dufferin followed his example and, judging from Lord Northbrook's speech of 15th May last, it would appear that Lord Lansdowne has also recently raised his voice against these charges. Then, as regards Secretaries of State, Sir Charles Wood, Sir Stafford Northcote, the Duke of Argyll, Lord Salisbury, Lord Hartington, Lord Kimberley, Lord Cross—all in their time have remonstrated with the British Treasury and the War Office that the Home Military charges of India were exorbitant and unfair. But, as Lord Kimberley himself said the other day, the Secretary of State for India possesses less influence than any other Minister in the English Cabinet, and thus the remonstrances of all these men have hitherto been of no avail. It is, therefore, a matter for congratulation that Lord Northbrook has made up his mind to invoke the authority of Parliament to set matters right. And it is also a matter for congratulation that our friends in the House of Commons, Mr. Caine, Mr. Macfarlane and others, have taken prompt steps to strengthen Lord Northbrook's hands. Gentlemen, the controversy

which Lord Northbrook has raised, and to which alone we confine ourselves on this occasion, refers to that portion of the Home charges which is shown as Military. The total Home charges of India are exceedingly heavy and so is the total Military expenditure. But on this occasion we speak neither of the Home charges as a whole nor of the Military as a whole. We confine ourselves only to the Military position of the Home charges. This charge for the year that has closed has been nearly 5 millions sterling, *i.e.*, over 7 crores of rupees. It is, as many of you may be aware, made up of two parts, effective and non-effective, each being about half of the whole. The effective charges chiefly include a large sum annually paid to the War Office, because the British troops serving in India are recruited and sent out here by that office on equally large sum for the stores supplied to these troops, a considerable sum for the expenses of the Indian Troop Service, *i.e.*, of the transport ships which bring out British troops here and take them back to England, and the furlough allowances of the officers and men in the British Army in India. The non-effective charges consist principally of payment to the War Office for retired pay and pensions of British troops for service in India and pay and pension of non-effective officers and retired officers of the Indian Service. Gentlemen, it is most unfortunate that since the amalgamation of the armies in England and India, *i.e.*, during the last thirty

years and more, these Home Military charges have been, owing to one thing or another, increasing almost from year to year and this has gone on in spite of strong remonstrances from the Government of India and the Secretary of State for India, only because English Ministers try to relieve English budgets at the expense of India and the people of this country have no voice in the English Parliament. I must invite your attention to a few figures to make my meaning clear to you. Thirty years ago, *i.e.*, in 1862, the total Home Military charges of India were only a little over two millions sterling. To-day they are close upon 5 millions. I will not, gentlemen, weary you with figures for all these thirty years, but I will divide these years into six periods of 5 years each and give you the average figures for the quinquennial periods. From 1862 to 1867 the average Home Military expenditure was nearly $2\frac{1}{2}$ millions a year. In the next period, *i.e.*, from 1867 to 1872, it was a little less than $3\frac{1}{2}$ millions sterling. From 1872 to 1877, it was a little over 3 millions, 6 hundred thousand pounds. From 1877 to 1882, it was a little over 4 millions. This average was maintained during the next period, *i.e.*, from 1882 to 1887. The tendency of the charges so increased was for a time checked by a new scheme of making payment for pensions, which was introduced in 1884, and which for the time considerably reduced the annual charge for

pensions. From 1887 to 1892, the average was a little less than $4\frac{1}{4}$ millions, and for the years 1892-93 these charges were close upon five millions. Gentlemen, I hope you now see how these charges have been constantly increasing and how in thirty years they have more than doubled themselves. The burden thrown on the Indian revenues by these charges has again, during recent years, been rendered more heavy by the fall in exchange and if you take this fall in exchange into account, you will find that India pays to-day for these charges more than three times of what she paid thirty years ago. Further, this increase appears still more serious when it is remembered that the part of this expenditure which is under the control of the Government of India has been steadily reduced and also that Government now purchases a part of the stores in India itself. I will now briefly refer to the principal details of these charges. The first item among the effective charges is the payment annually made to the War Office for the recruitment expenses of the British forces in India. Last year this charge was nearly a million sterling, though generally it is about three-fourths of a million. Owing to the amalgamation of the English and Indian Armies in 1859, the Government of India is forced to depend for her British troops on the English War Office, and has, therefore, to pay for their recruitment practically whatever the price the War Office demands. There are various

interesting points connected with this question of recruitment, but I will not trouble you with them. I will mention to you only one fact, that high military authorities have repeatedly expressed the opinion that the sum demanded by the War Office for recruitment is a most exorbitant one and that if the Indian Government were allowed liberty of action in the matter, it could get the required recruits for a small fraction of the sum. Sir Charles Dilke, who is one of the highest authorities on these subjects, says, in his Imperial Defence, that the sum of charges at present to India is monstrously large and that nearly the whole of it could be saved to India, if the Government of India were allowed to take its own measures for the recruitment of its troops. The next effective charge to which I would call your attention is the charge for stores. This charge naturally varies from year to year, but it is never less than half a million and last year it was nearly nine hundred thousand pounds. Now, here also the discretion of the Government of India is, for the most part, fettered and it has to purchase its stores from the War Office. And the complaint has been repeatedly made that the War Office demands excessive prices for these stores, and practically tries to make a large profit out of the arrangement. The next item is that of the Indian Troop Service. Gentlemen, I have already explained to you that this charge means the expenses of the

transport ships that are built and kept at India's expense for the purpose of bringing out here and taking back again to England the British troops that serve in this country. Last year this charge came to about two hundred and forty thousand pounds. Now it has often been urged, and rightly urged, that there is no necessity in these days to maintain three ships at such enormous cost, because British troops could very well be brought out and sent back like other passengers. The maintaining of these ships by Government for the sole use of British troops involves a large waste of our money, as may be seen from the fact that for five months in the year these vessels do absolutely nothing and yet their establishments have to be paid for all the same during this time. Then there is the question of the furlough allowances. But it is a comparatively small question and I will not go into that on this occasion. So far I have dealt with the effective charges. As regards the non-effective charges, there are only two principal items and these are payments to the War Office for retired pay and pensions of British forces for service in India and the pay and pensions of non-effective and retired officers of the Indian Service. The first of these two items is not now as heavy as it was before 1884. For the last year, it was a little over one-third of a million. But, as was anticipated in 1884, and as was pointed out by Lord Northbrook and Lord Kimberley in their speeches

of 15th May, this charge will now rapidly grow, and in a short time, under existing arrangements, it may become heavier than it ever was. It is in regard to this charge that Lord Northbrook stated the other day that, during the last fourteen years, the War Office had taken from India four millions sterling more than was fair or just. We cannot, therefore, do better than ask the protection of the House of Commons in regard to this charge. As regards the other non-effective item, it is, gentlemen, really a very serious matter. For the last year this charge stood at the huge figure of about one million nine hundred thousand pounds, *i.e.*, about two crores and seventy-five lakhs of rupees. During the last thirty years, this expenditure has more than doubled itself. I am aware, gentlemen, that this part of the question is one which is beset with great difficulties. On the one hand, there are liabilities incurred by the Government in expectations legitimately formed by men in the service. But, on the other hand, there are the claims of the poor tax-payer of India to be considered, and if things are allowed to drift on as at present, there is no knowing to what figure this charge may grow. Our prayer, therefore, is that Government should now look on this item carefully and take whatever measures may be necessary to stop its alarming growth. But, gentlemen, even if it were to put aside this large figure of pensions to officers of the Indian Service, a large saving in respect of the other

item—effective and non-effective—is what we are clearly entitled to. And, in my humble opinion, the sum so saved will come to from a million to a million and a half sterling, *i.e.*, from a crore and a half to two crores of rupees every year, and this I consider to be a moderate estimate. There is another point raised by Lord Northbrook in his speech which finds a place in your memorial of to-day. England has in the past borrowed troops from India for expeditions undertaken from considerations of Imperial policy, such as the expeditions to China and Persia, the Abyssinian Expedition, and others, and on all these occasions, all the ordinary expenses of these troops have been taken from India, England defraying their extraordinary expenses alone. On the other hand, when India had to borrow troops from England, as on the occasion of the Sind Campaign of 1846, the Punjab Campaign of 1849 and the Mutiny of 1857, every farthing of the expenses of these men, ordinary and extraordinary, including even the expenditure on their recruitment was extorted from India. I think, gentlemen, I have now made it sufficiently clear to you that for years past India has been most unjustly treated by England in the matter of Home Military charges. Our prayer, therefore, now to the House of Commons is that the House be pleased (1st) to direct rich England to refund to poor India whatever has been unjustly extorted from her in the past; (2nd) to order that no charges, which, in fairness,

ought to be borne by the British Exchequer, should hereafter be thrown on India; and lastly, to lay down by Act of Parliament the amount or proportion of the non-effective charges of the British forces for service in India, that should hereafter annually be borne by this country. Gentlemen, do not suppose that when we ask for a refund of the money overdrawn by England in the past, we are making an unreasonable request. For the War Office itself has often in the past acted on this principle by compelling India to pay large sums as arrears and this selfish and despotic office has at times gone to such a length that even when, owing to its own dilatoriness in presenting bills to the India Office, its claims remained for a time unpaid, it extorted from India afterwards not only the full payment of those claims, but charged interest and, in some cases, even compound interest. Then, as regards our second request, I think the House of Commons is, in common justice, bound to grant it, and when that is done a substantial relief will come to the finances of India, for a crore and a half of rupees every year means a good deal to the people of this country. Then, in preferring the third request, viz., for Parliamentary legislation to fix the amount or proportion which we should annually pay to the War Office for non-effective charges, we are only reiterating a proposal made by Lord Ripon's Government in 1883. The advantages of such an arrangement are many and obvious. But

the most important of these advantages is, in my opinion, this, that whenever these charges are increased they will come to be carefully examined by the House of Commons, because the English charges also will be proportionately increased and thus a sort of Parliamentary supervision will be ensured to our own charges. But, gentlemen, before the House of Commons can do all this, it is necessary that it should order a thorough inquiry into the subject and we, therefore, pray in the memorial that a Select Committee be appointed for the purpose. Gentlemen, I hope I have made all the points in the memorial clear to you. I have already taken up too much of your time, but there is one aspect of the question, about which I will say just a word before I conclude. You may be aware how critical the condition of Indian finance at present is. Government has exhausted every available resource and no further taxation is now possible without inflicting intolerable hardship on the poor and miserable millions of this country. The Herschell Committee has practically admitted this fact in its recent report. On one hand, there is the ever-deepening gulf of the Home charges and the military expenditure necessitating a grasping and relentless revenue policy and an intolerably burdensome duty on the poor man's salt; on the other hand, there are millions upon millions of people, sunk in the lowest depths of poverty and misery, paying taxes far

beyond their means, and therefore panting for relief. I think, gentlemen, that, in such circumstances, it is the bounden duty of the Government of this country and of the British Parliament to effect all possible economies in the expenditure of the country and thereby give these millions groaning under their burden the relief they seek. I think a Government which lends a willing ear to the complaints of the well-paid European cannot, in common humanity, shut its eyes to the misery of the poor peasant, who toils and moils from dawn to dark only to find himself badly clothed and worse fed. I think, if Government effects the economies in the Home Military charges which have been repeatedly pointed out to it, the poor man's salt can, at any rate, be made cheaper to him, even if no other relief be possible. Gentlemen, England is strong, but let her not abuse her strength by extorting from poor India more than she has a right to receive. England professes to be anxious to do justice to India. We have had nearly a century of these professions and it is now time we had a little of the practice of the thing. I, therefore, trust that the House of Commons will grant our prayer. It is in this hope that I propose this resolution and it is in this hope that I earnestly call upon you to adopt it.

THE ELEVATION OF THE DEPRESSED CLASSES.

[At the Dharwar Social Conference held on April 27th, 1903, the Hon. Mr. Gokhale moved the following resolution on the elevation of the depressed classes. In doing so, he said :—]

Mr. President and Gentlemen,—The proposition which has been entrusted to me runs thus :—" That this Conference holds that the present degraded condition of the low castes is, in itself and from the national point of view, unsatisfactory, and is of opinion that every well-wisher of the country should consider it his duty to do all he can to raise their moral and social condition by trying to rouse self-respect in these classes and placing facilities for education and employment within their reach."

Gentlemen, I hope I am not given to the use of unnecessarily strong language and yet I must say that this resolution is not as strongly worded as it should have been. The condition of the low castes—it is painful to call them low castes—is not only unsatisfactory as this resolution says,—it is so deeply deplorable that it constitutes a grave blot on our social arrangements ; and, further, the attitude of our educated men towards this class is profoundly painful and humiliating. I do not propose to deal with this

subject as an antiquarian ; I only want to make a few general observations from the standpoint of justice, humanity, and national self-interest. I think all fair-minded persons will have to admit that it is absolutely monstrous that a class of human beings, with bodies similar to our own, with brains that can think and with hearts that can feel, should be perpetually condemned to a low life of utter wretchedness, servitude and mental and moral degradation, and that permanent barriers should be placed in their way so that it should be impossible for them ever to overcome them and improve their lot. This is deeply revolting to our sense of justice. I believe one has only to put oneself mentally into their place to realize how grievous this injustice is. We may touch a cat, we may touch a dog, we may touch any other animal, but the touch of these human beings is pollution ! And so complete is now the mental degradation of these people that they themselves see nothing in such treatment to resent, that they acquiesce in it as though nothing better than that was their due.

“TURN THE SEARCH-LIGHT INWARDS.”

I remember a speech delivered 7 or 8 years ago by the late Mr. Ranade in Bombay, under the auspices of the Hindu Union Club. That was a time when public feeling ran high in India on the subject of the treatment which our people were receiving in South Africa.

Our friend, Mr. Gandhi, had come here on a brief visit from South Africa and he was telling us how our people were treated in Natal and Cape Colony and the Transvaal—how they were not allowed to walk on foot-paths or travel in first-class carriages on the railway, how they were not admitted into hotels and so forth. Public feeling, in consequence, was deeply stirred, and we all felt that it was a mockery that we should be called British subjects, when we were treated like this in Great Britain's colonies. Mr. Ranade felt this just as keenly as any one else. He had been a never-failing adviser of Mr. Gandhi, and had carried on a regular correspondence with him. But it was Mr. Ranade's peculiar greatness that he always utilized occasions of excitement to give a proper turn to the national mind and cultivate its sense of proportion. And so, when every one was expressing himself in indignant terms about the treatment which our countrymen were receiving in South Africa, Mr. Ranade came forward to ask if we had no sins of our own to answer for in that direction. I do not exactly remember the title of his address. I think it was "Turn the search-light inwards," or some such thing. But I remember that it was a great speech—one of the greatest that I have ever been privileged to hear. He began in characteristic fashion, expressing deep sympathy with the Indians in South Africa in the struggle they were manfully carrying on. He rejoiced that the

people of India had awakened to a sense of the position of their countrymen abroad, and he felt convinced that this awakening was a sign of the fact that the dead bones in the valley were once again becoming instinct with life. But he proceeded to ask:—"Was this sympathy with the oppressed and down-trodden Indians to be confined to those of our countrymen only who had gone out of India? Or was it to be general and to be extended to all cases where there was oppression and injustice?" It was easy, he said, to denounce foreigners, but those who did so were bound in common fairness to look into themselves and see if they were absolutely blameless in the matter. He then described the manner in which members of low caste were treated by our own community in different parts of India. It was a description, which filled the audience with feelings of deep shame and pain and indignation. And Mr. Ranade very justly asked whether it was for those who tolerated such disgraceful oppression and injustice in their own country to indulge in all that denunciation of the people of South Africa. This question, therefore, is, in the first place, a question of sheer justice.

"A QUESTION OF HUMANITY".

Next, as I have already said, it is a question of humanity. It is sometimes urged that if we have our castes, the people in the West have their classes, and after all, there is not much difference between the two.

A little reflection will, however, show that the analogy is quite fallacious. The classes of the West are a perfectly elastic institution, and not rigid or cast-iron like our castes. Mr. Chamberlain, who is the most masterful personage in the British Empire to-day, was at one time a shoemaker and then a screw-maker. Of course, he did not make shoes himself, but that was the trade by which he made money. Mr. Chamberlain to-day dines with Royalty, and mixes with the highest in the land on terms of absolute equality. Will a shoemaker ever be able to rise in India in the social scale in a similar fashion, no matter how gifted by nature he might be? A great writer has said that castes are eminently useful for the preservation of society, but that they are utterly unsuited for purposes of progress. And this I think is perfectly true. If you want to stand where you were a thousand years ago, the system of castes need not be modified in any material degree. If, however, you want to emerge out of the slough in which you have long remained sunk, it will not do for you to insist on a rigid adherence to caste. Modern civilisation has accepted greater equality for all as its watchword, as against privilege and exclusiveness, which were the root-ideas of the old world. And the larger humanity of these days requires that we should acknowledge its claims by seeking the amelioration of the helpless condition of our down-trodden countrymen.

A QUESTION OF NATIONAL SELF-INTEREST.

Finally, gentlemen, this is a question of National Self-interest. How can we possibly realise our national aspirations, how can our country ever hope to take her place among the nations of the world, if we allow large numbers of our countrymen to remain sunk in ignorance, barbarism, and degradation? Unless these men are gradually raised to a higher level, morally and intellectually, how can they possibly understand our thoughts or share our hopes or co-operate with us in our efforts? Can you not realize that so far as the work of national elevation is concerned, the energy, which these classes might be expected to represent, is simply unavailable to us? I understand that that great thinker and observer—Swami Vivekananda—held this view very strongly. I think that there is not much hope for us as a nation unless the help of all classes, including those that are known as low castes, is forthcoming for the work that lies before us. Moreover, is it, I may ask, consistent with our own self-respect that these men should be kept out of our houses and shut out from all social intercourse as long as they remain within the pale of Hinduism, whereas the moment they put on a coat and a hat and a pair of trousers and call themselves Christians, we are prepared to shake hands with them and look upon them as quite respectable? No sensible man will say that this is a satisfactory state of things. Of course, no one expects

that these classes will be lifted up at once morally and intellectually to a position of equality with their more-favoured countrymen.

AN APPEAL TO EDUCATED INDIANS.

This work is bound to be slow and can only be achieved by strenuous exertions for giving them education and finding for them honourable employment in life. And, gentlemen, it seems to me that, in the present state of India, no work can be higher or holier than this. I think if there is one question of social reform more than another that should stir the enthusiasm of our educated young men and inspire them with an unselfish purpose, it is this question of the degraded condition of our low castes. Cannot a few men—five per cent., four per cent., three, two, even one per cent.—of the hundreds and hundreds of graduates that the University turns out every year, take it upon themselves to dedicate their lives to this sacred work of the elevation of low castes? My appeal is not to the old or the middle-aged—the grooves of their lives are fixed—but I think I may well address such an appeal to the young members of our community—to those who have not yet decided upon their future course and who entertain the noble aspiration of devoting to a worthy cause the education which they have received. What the country needs most at the present moment is a spirit of self-sacrifice on the part of our educated young men, and they may take it from

ELEVATION OF DEPRESSED CLASSES. 747

me that they cannot spend their lives in a better cause than raising the moral and intellectual level of these unhappy low castes and promoting their general well-being.

FAREWELL TO FERGUSSON COLLEGE.

[On the eve of his retirement from the Fergusson College, the students presented Mr. Gokhale with a farewell address, on Friday, the 19th September 1902, to which he replied as follows :—]

Mr. Principal, Brother-Professors and Students of the College,—It is not possible for me to rise without deep emotion to reply to the address which has just been read, and to return thanks for the great, the overwhelming kindness with which you have treated me to-day. All parting in life is sad, but where the heart's deepest feelings are involved, the severance of old ties, and the necessity of saying good-bye, is about as trying an ordeal as any that a man can be called upon to go through. For eighteen years now, I have tried, according to the humble measure of my capacity, to give the best that was in me to this Society. Through good report and through evil report, through sunshine and through storm, it has been my endeavour to work for this institution with a single aim to its welfare, till at last it has become impossible for me to think of myself as apart from this College. And now, when the time for my withdrawing myself from all active work in this institution has come, my heart is naturally stirred by conflicting emotions, in which a feeling of intense thankfulness is mingled with a

feeling of deep sadness. I feel thankful, profoundly thankful, that it has pleased Providence to give it to me to discharge the solemn and onerous obligations of a vow taken so many years ago, under the influence of youthful enthusiasm, and that no matter what happens to me in the future, I shall always be able to look back with pleasure and pride, on this part of my career, and say to myself "Thank God, I was permitted to fulfil my pledge." But, gentlemen, side by side with this feeling of thankfulness, there is a feeling of deep regret, that my active work for this great institution is now at an end. You can easily understand what a wrench it must be to me to thus tear myself away from an institution, to which my best work hitherto has been given, and which always has been first in my thoughts and affections, no matter in how many fields it was my lot to work. Some of you here may, perhaps, be tempted to ask, as other friends have already asked,—why do you retire from the College, if you feel the parting so keenly? My answer to this question is, that my decision has not been arrived at without a long and anxious examination of the whole position. In the first place, my health is not now what it once was. During the last term, it was a matter of anxiety to me from week to week, and almost from day to day, how I should be able to finish my work without breaking down in the middle of the term. (Even then, as many of you are

aware, I was not able to perform my duties in the College with that strict regularity, with which my colleagues were performing theirs, and one cannot help feeling that this is a very unsatisfactory position to be in, though never a word of complaint was heard from my colleagues. And I felt I had no right to put such a strain on their indulgence. You know the golden rule that when you sit down to a repast, it is always well to rise a little hungry or when you go to a friend's house, you should rather leave before your time than over-stay his hospitality even by a day. I know my colleagues do not think that the illustrations apply. All the same, having worked for eighteen years more or less under high pressure I thought it was best for me to retire and leave the field to other workers. This, however, is not my sole reason for withdrawing from the College and some of you are apt to think that it is not a very conclusive one either, and I will frankly tell you that another reason has influenced me in making up my mind, quite as much as this one. Years ago I remember to have read the story of a man, who lived by the side of the sea, who had a nice cottage and fields that yielded him their abundance, and who was surrounded by a loving family. The world thought that he was very happy. But to him the sea had a strange fascination. When it lay gently heaving like an infant asleep, it appealed to him; when it raged like an angry and roaring lion, it still

appealed to him; till at last he could withstand the fatal fascination no longer. And so having disposed of everything and put his all into a boat, he launched it on the bosom of the sea. Twice was he beaten back by the waves—a warning he would not heed. He made a third attempt, when the pitiless sea overwhelmed him. To a certain extent this seems to me to be my position to-day. Here I am with a settled position in this College, and having for my colleagues men with whom it is a pleasure and a privilege to work, and whose generosity in overlooking my many faults and magnifying any little services I may have rendered, has often touched me deeply. And yet, I am giving up all this to embark on the stormy and uncertain sea of public life. But I hear within me a voice which urges me to take this course, and I can only ask you to believe me when I say that it is purely from a sense of duty to the best interests of our country, that I am seeking this position of greater freedom, but not necessarily of less responsibility. Public life in this country has few rewards and many trials and discouragements. The prospect of work to be done is vast, and no one can say what is on the other side—how all this work may end. But one thing is clear. (Those who feel in the matter as I do must devote themselves to the work in a spirit of hope and faith and seek only the satisfaction which comes of all disinterested exertions.) This is not the place where I

may speak of my future hopes or lines of work. But one thing I know, and it is this :—Whether I am permitted to press onwards and prove of some little use to the public in another capacity, or whether I have to return a weather-beaten, tempest-tost, shipwrecked mariner, my thoughts, as you have said in your address, will constantly be with this institution; and, on the other hand, I shall always be sure of a warm and hospitable welcome within these walls, whenever I choose to come here. And, now, before concluding I wish to say one thing to the students of this College. I hope and trust that they will always be proud of this institution. I am about to leave you and so I can speak on this subject now with less reserve. I have been nearly all over India, and I have naturally felt special interest in the educational institutions of different places. Nowhere throughout the country is there an institution like this College of ours. There are other institutions better equipped, and also with older traditions; but the self-sacrifice of men like my friends Mr. Paranjpye and Mr. Rajawade surrounds this College with a halo of glory all its own. The principal moral interest of this institution is in the fact that it represents an idea and embodies an ideal. The idea is that Indians of the present day can bind themselves together, and putting aside all thoughts of worldly interests work for a secular purpose with the zeal and enthusiasm which we generally find

in the sphere of religion alone. The ideal is the ideal of self-help, that we may learn slowly but steadily to rely less and less upon others, however willing to bear our burdens, and more and more upon ourselves. I trust that you, the students of this College, will keep this character of the institution steadily before your eyes—that your devotion to it, your enthusiasm for it, will be commensurate with the nobility and importance of its work, that even when you feel disposed to criticise it, you will speak of it with that loving solicitude with which we mention a parent's faults, and that you will always do what lies in your power to further its interests and enlarge the sphere of its usefulness and influence. And now nothing remains for me but to say "good-bye." I know I have given but feeble utterance to the thoughts that are at this moment uppermost in my mind, but nothing that I can say will express them adequately. I wish you well—individually and collectively. In leaving you, as I am doing, I feel I am leaving the best work of my life behind me. I trust I may meet some of you hereafter as co-workers in other fields, that we may also occasionally meet within the walls of this College. God bless this College and bless you all.

OUR POLITICAL SITUATION.

[On Monday, the 25th July 1904, the public of Madras assembled in large numbers at the Pachaiyappa's Hall to give a public welcome to the Hon'ble Mr. Gokhale. The hall, however, was overcrowded and several thousands could find no accommodation within. The meeting was, therefore, held in the spacious maidan opposite the College. Dewan Bahadur K. Krishnaswami Row, C.I.E., Retired Dewan of Travancore, the Chairman of the meeting, referred in graceful terms to the Hon'ble Mr. Gokhale's services to the people. Mr. Gokhale made this speech in reply.]

Mr. President and Gentlemen,—It is difficult for me to find words to convey in any adequate manner my sense of the overwhelming kindness with which you have received me this afternoon. I hope there may arise no circumstances which may ever lead you to regret the welcome—the generous welcome—that you have accorded to me to-day; and, for my part, I shall only say this, that the recollection of this kindness will not easily fade from my memory. Gentlemen, in a vast concourse like this, it is hopeless to expect that my words will reach every one of you. I will, however, try to say what I have to say in as brief a manner as possible so as not to detain you long in any case. You

are, perhaps, aware that I have come to Madras in my capacity as Joint Secretary of the Indian National Congress. It was in this city of Madras that I was appointed to this office last December. Unfortunately pressure of duties elsewhere prevented my coming to Madras at the time when my appointment was made. But perhaps it was as well, seeing that the weather at that time did not permit the men who came from different parts of the country to have anything like a large interchange of ideas. Well, I have come now to have that interchange of ideas and compare notes with friends here; and my only regret is that I am unable, owing to the shortness of the time at my disposal, to visit those centres of political activity in the mofussil to which I have been so kindly invited and which I myself would be very glad to go and see. However, I hope that it is for me only a pleasure postponed and that circumstances will permit my making a somewhat extended tour of this Presidency some time next year.

Gentlemen, I have now been for about twenty years in public life, I mean such public life as we have in this country, and this means that I have been able to follow the fortunes of the National Congress from its very start, because this is the twentieth year since that institution first came into existence. During the last few years I have also had special opportunities to become acquainted with the trend of thought and events in various parts of India, and one thing I have

noticed which there is no mistaking. In many of our papers, in the utterances of many of our leading men, in the discussions that take place, in the freedom of private conversation, you find everywhere that the predominant note in regard to political agitation is one of despair. It seems that a kind of despondency is settling over the national mind. People have already begun to ask openly the question, what has the Congress done during the nineteen years that it has been in existence. Some others alter the form of the question and ask, is it possible for the Congress to achieve anything substantial, if its work is continued on the lines on which it has been carried on so far? There are some who go even further and try to urge on us the practical futility of political agitation such as that in which we are engaged. They say that the history of the world furnishes no instance in which such an agitation has ever brought any privileges to those who agitated, and they advise us that it would be the part of wisdom on our part to give up political agitation and devote our energies, such as they are, to the industrial development of the country. Thus, whatever you may think of these views, one thing is clear, that our leading workers, many of them, not all, are gradually, but steadily, losing faith in our political agitation. Now, if there were any real justification for this feeling of despair, the outlook would be dark indeed. But is there

any real justification? That is the question that I would like to put to you, just as that is the question that I very often put to myself whenever a feeling of despair tends to assail me. The whole position requires to be examined calmly and dispassionately. And for that purpose you have to ask yourselves two or three questions. You may first of all ask yourselves what were the thoughts and ideas of those who began this political work? What were the hopes and aspirations that were close to their hearts? Then you have to ask yourselves what were the conditions under which this work was undertaken by them? What are the conditions under which this work has to be done now, and whether there has been any change or alteration of late in these conditions? These are the questions which you must put to yourself if you are anxious to examine the situation correctly. With regard to the first question as to what were the thoughts and ideas of those who started this work, and what were the hopes and aspirations that lay close to their heart, the answer is, I believe, not far to seek. Those men first of all wanted to act as interpreters between the rulers and the ruled, to explain, on the one hand, to the people the intentions of the Government, and to represent, on the other, to the rulers the grievances of the people. This was the first part of political agitation, and it is being performed on the whole not badly, though, of course, there is consider-

able room for improvement. But more than this, they wanted to work for the triumph of those larger principles on which our hopes for the future of our country are based. It was their aspiration that the disabilities under which we labour at present might become less and less, and that in the fulness of time we should have the full rights of that British citizenship to which we have been admitted only in name at present. This was the second, and in one sense the higher, part of our political agitation. It is in connection with this that the principal difficulties of the position arise, and the judgments that are so often pronounced about the success or failure of political agitation are also mostly in reference to these. Now, gentlemen, let us turn to the second question. What were the conditions under which the proposed work was to be done; what were the conditions which our leaders then had got to realise and which we, who take up their work, have got now to realise in connection with this work? We have got to realise that on one side of us are arrayed forces of racial ascendancy, of monopoly, of power, and on the other side is a vast mass of ignorance, apathy and moral helplessness. Between these two we have to work, to face, try to overcome the forces marshalled against us on one side and to quicken into life and to move into energetic action the vast mass on the other. Now this meant a most formidable task and we had no right or business to imagine that it would prove to be

any other. We had no reason to expect that the citadel of monopoly would capitulate at the first assault, and we have only ourselves to thank if we are now disappointed in such unjustifiable expectations. Remember, gentlemen, that those who are arrayed against us and in whose hands there is the monopoly of power—they have behind them practically the vast resources of Government, in any case they have behind them the moral support of the Government of the country. Moreover, it is but fair to acknowledge that they are a body of picked men, that man for man they are better men than ourselves; they have a higher standard of duty, higher notions of patriotism, higher notions of loyalty to each other, higher notions of organised work and of discipline, and they know how to make a stand for the privileges of which they are in possession. We have no right to complain that they are what they are. If we understood the true dignity of political work, we should rejoice that we are confronted by opponents such as these. We should look upon it as a privilege that we have got to struggle with men of this calibre, and instead of giving ourselves up to despair, we should look upon every failure, as though it was intended by Providence to strengthen us for the next effort we have to make. As regards the vast mass which we have on the other side, of which I have spoken, it is an exceedingly difficult work to energise this vast mass, to put life into it, to make it move

along with us ; and the work is bound to be slow, and it is being very slowly done. My point in mentioning these two facts, *viz.*, the forces ranged on one side and the mass lying on the other, is to show to you the tremendously difficult nature of the task that lies before us, the enormous difficulties of the problem which confronts us. I want you to realize these difficulties properly, to consider what has been the extent of your effort to overcome them and the measure of success which has so far attended that effort, and then I feel sure you will not give yourselves up to despair or indulge in counsels such as those which of late we have been hearing. Remember, gentlemen, that it is only for the last 19 years that this Congress has been working, and when you think of the work that you are doing,—which, after all, is much less than what it might be—and when you think of the results that have so far been achieved, I for one find no cause for despair. What has been achieved during these 19 years? If you will range your eye over the achievements, you will find that there are some results to our credit which need not be despised at all. Our first agitation was in connection with the raising of the age for the Indian Civil Service. That point we were able to carry and the age was raised from 19 to 23. Our next agitation was for the expansion of Legislative Councils. That reform ultimately came about, and the Legislative Councils are more real and more living

deliberative bodies to-day, than they were 16 or 17 years ago. They are not yet perfect bodies. There is great room for improvement in their composition and their scope of work. But there is no doubt, whatsoever, that the general level of debate in these bodies is higher to-day than it was ever before. The character of the speeches delivered by non-official members in the various provinces shows as a whole a better grasp of public question and it shows also that the public takes closer and more watchful interest in the legislative and administrative acts of the Government. I think here is a result on which we may well congratulate ourselves. Then, gentlemen, we find that, during the last 15 or 20 years, the Press of the country has become a more potent instrument of progress than was the case before. It is quite true that some of the journals are not up to a very high standard, but, taking one journal with another, they exercise a far greater influence on the progress of the country than was the case before. The resolutions that you pass in your Congresses filter down to the mass of our educated people and they are in one form or another constantly pressed on the attention of the authorities and the people in the columns of the Press. The work of political agitation, which the Congress has undertaken, is thus being carried day after day, and week after week, by the Press, and this greater activity of the Press you must also put

to the credit of the Congress. Again, you find that the different provinces of the country feel now drawn closer together than was the case before ; that we throb with the same national impulse, rejoicing over the same successes, depressed by the same failures and sharing in the same hopes. And here I think is a test of a growing nationality, if ever you had a test. All these things stand to the credit of the Congress. Having achieved these things during the last 15 or 16 years with such feeble efforts as we have put forth, I think it is not open to any one to indulge in language of despair.

I am not blind to the fact that, to a certain extent, the difficulties of political agitation have increased of late in this country. On account of the Congress, local political organizations have been overshadowed ; on account of the Congress, Imperial questions have cast into the shade Provincial questions. Politicians in different parts of India do not now feel interested to the same extent in local and provincial questions as before. This fact has got to be admitted. Further, the opposition that is offered to us on the other side has become more organised. When the Congress itself did not exist, it was possible for many Englishmen to express a sort of platonic sympathy with our aspirations. Now, however, that they find that we are in earnest and are making organized efforts to realize our aspirations, there are not many who are anxious to associate

themselves with us in this work of agitation. Further, our difficulties have increased of late on account of the growth of a spirit of narrow imperialism—not the nobler imperialism which would work for the elevation of all who are included within the Empire, but the narrower imperialism which looks upon the world as though it was made for one race only and which is found in season and out of season of setting up an image of its own achievements and standing in adoration before it. To this imperialism we owe the tendency which has been too much in evidence of late to explain away, and at times even openly to repudiate solemnly given pledges and it constitutes a phase of the situation which certainly may cause us some anxiety. But, after all, these new difficulties come to nothing very much. They only mean that we must redouble our efforts, put more energy and life into our work, and rise equal to the occasion. There are men who say that nothing is to be gained by our political agitation, that history does not afford us an example of people gaining anything by such methods and that we must, therefore, concentrate our efforts on what they think to be more likely to be achieved, namely, the industrial development of the country. A friend of mine, Mr. Chowdhury, who presided over the last Provincial Conference of Bengal, delivered the other day an address, some parts of which I read with great admiration but other parts of which

I failed to comprehend altogether. He laid down the somewhat startling proposition, that a subject-race can have no politics. Now this is one of those half-truths which are really more dangerous than untruths themselves. If you understand the word "politics" in the sense of international politics, then, of course, the proposition is correct; but if politics is the term wider than international politics, as we know it is, a subject-race has as much right and as much reason as, and perhaps more right and more reason to have politics of its own than, the races which are self-governing and dominant. You have to fight against the ascendancy of a dominant class, you have to fight to get admittance into those ranks of power which are at present closed to you. All this implies political work of the highest character. Do not, therefore, be misled by propositions of this kind. In regard to the advice that we should now concentrate our efforts on the industrial development of the country, while I have the deepest sympathy with all efforts for our industrial advancement, I beg you to remember there are great limits to that kind of work also. It is with me a firm conviction that unless you have a more effective and more potent voice in the government of your own country, in the administration of your own affairs, in the expenditure of your own revenues, it is not possible for you to effect much in the way of industrial development. And I have no doubt in my own mind that those who are

asking you to-day to give up political agitation and confine yourselves to industrial development only will ten years hence be as despondent about the results achieved in the industrial field as they are to-day about political agitation. I do not mean to say that we should be satisfied with such political work as is being at present done in the country. Far from it—I think no man feels more keenly than myself that things should be as they are. But that only means that we must work more strenuously, not that the work done in the past deserves to be condemned, not that the methods of the past deserve to be discredited and discarded. It is our duty to recognise the demands which the present makes on us, by putting more life and energy into our work. Our public life is really feeble and ineffective because it is so faint-hearted and so soulless. Very few of us have really faith in the work we are doing. When men take up work in a mechanical spirit, without believing in it, you should not be surprised if no great results are achieved. We all admire and talk of the achievements of Japan. Many of us have of late been reading the history of Japan. I too am trying to follow the story of Japan. What do I find? In the first place there has always been a tremendously strong national feeling in that country. That has been Japan's own. It was not brought into the country by those Western methods which Japan adopted forty years ago.

Such national feeling is bound to be a plant of slow growth in this country. In addition to that national feeling, what strikes me most in the history of Japan is the marvellous manner in which the lead of the leaders has been accepted by the bulk of the people of the land. Therein to my mind lies the great secret of Japan's success. Leaders of thought in that country laid down lines of work and the bulk of the people willingly accepted them, and patiently and quietly proceeded to do their part. The result was that there was a great concentration of effort which enabled Japan to cast off, so to say, its ancient dress and to put on new habiliments. This, then, is the lesson we have to learn from Japan, that, if our work is to be successful, our efforts must be concentrated, and efforts cannot be concentrated, unless leaders receive from followers that disciplined obedience which you find in Japan. It is true that we have not got many single-minded leaders in the country to lead us, but we are not wholly without them. We have one such man in Sir Pheroza Shah Mehta; earnest and patriotic, possessing high abilities, and qualified in every way to lead the country. But these men must receive more implicit support from the bulk of our educated men. It is a good habit to think for oneself, but where concentration of efforts is needed, unless questions of conscience are involved, men must be prepared to subordinate their judgment to that of those whom they are expected to

follow. There must be more discipline in our public life. At the same time there must be a greater realisation on the part of the leaders of the responsibilities that devolve upon them. The day has gone by when politics could afford to be amateurish in this land. It has been amateurish in the past; but the struggle is growing keener and keener and it is necessary that men should take up the duties and responsibilities of public life in the same manner as they choose their profession and devote their energies to it. For such work we have a right to look to the class from whose ranks the members of our Legislative Councils are drawn. I do not expect every one of these members to give up his daily occupation and to take up this work. But surely in every province, the country has the right to expect at least one or two men to come forward and give more of their time and energy to the building up of the public life, whose weakness we all so much deplore. These men could then be centres round whom our young men could group and band themselves together, and it would then be possible to build up a much higher type of public life than now. I have tried so far to establish two or three propositions. There is nothing whatsoever in the situation to make us despair. Those that indulge in counsels of despair, those that use language such as I have already referred to—who say that nothing is to be gained by political agitation—they really do a grea

disservice to the country ; they do nothing themselves and they only paralyse the efforts of others. It is said that history furnishes no example of a subject-people rising by such methods as ours. Now, gentlemen, I have myself paid some attention to history, and if I have been convinced of one thing more than another, it is this ; that you can never have a perfect parallel in history. It is impossible for circumstances to repeat themselves, though you have the common saying that history repeats itself. It may be that the history of the world does not furnish an instance where a subject-race has risen by agitation. If so, we shall supply that example for the first time. The history of the world has not yet come to an end, there are more chapters to be added ; therefore we must not be discouraged by the lessons which some people profess to draw from history. Gentlemen, I do not wish to detain you longer. The great need of the situation is that you should have more faith in the work in which you are engaged and that you should be ready to make more sacrifices for that work. Considering the manner in which we have been working so far, there is no reason to be dissatisfied with what has been achieved. It is true that, for some time past, the forces of reaction have been gaining in strength. Reactionary legislation against which the whole country had protested has been fixed on the country in spite of the protest. Some recent utteran-

ces of men in high authority have been conceived in a spirit calculated to spread a feeling of uneasiness. But all these are passing features of the situation. I am quite confident these things will pass away and in proportion as we put forth greater efforts, in that proportion shall success be achieved by us. Our cause is a cause for which every one of us can do something. Those who have money can give funds; those that have leisure can give time; those that have ability can devote, can contribute to the formation of public opinion on different questions. Young men might come forward to take up the work of missionaries in connection with this cause. There is a great deal of quiet work to be done for which we want young men, who will be willing to take their instructions from their elders, willing to go among the public, without noise or fuss, not anxious to address meetings but willing and content to do quiet work. If we all recognise our respective duties in this spirit, we shall be able to turn our present efforts into a great, rousing movement for the political emancipation of this land. In the presence of such a movement all our petty personal differences will sink, all our squabbles will vanish, our faith will shine radiantly, sacrifices will be made to the extent they are necessary and the country will march onwards, will press onwards to the realisation of that destiny of which we should dream by night and on which we should muse by day.

ADVICE TO STUDENTS.

[On Thursday, the 28th July 1904, the students of the Pachaiyappa's College, Madras, presented an address to Mr. Gokhale. Sir Charles Arnold White, Kt., C.I.E., Chief Justice and Vice-Chancellor of the University of Madras, presided on the occasion and spoke in terms of high praise of the excellent work done by Mr. Gokhale to the cause of education as a Professor of the Fergusson College and the spirit of self-sacrifice and genuine patriotism displayed by him in his public career. Mr. Gokhale made this speech in reply to the address.]

Mr. Chairman, Mr. Principal and Gentlemen,—
I feel very grateful to the students of this College for the high honour which they have done to me to-day. That honour has been very greatly enhanced by the fact that you, Sir, have graciously taken the chair on this occasion and that you have been pleased to introduce me to this audience in words of extreme kindness. The terms in which the address, which has just now been read, is couched are altogether generous. I suppose those who drafted this address thought it necessary to ransack their vocabulary for superlatives, if for nothing else, at least to persuade themselves that they were not wholly unjustified in paying the compliment

they wanted to pay. Gentlemen, it is now nearly 20 years since I first enrolled myself as a member of a body of men at Poona who had come forward to undertake the responsibility of spreading higher education among our countrymen. They had come forward to take up this work, because they felt convinced that the future of this country was bound up with the spread of higher education in the land, and that the resources of no Government, however liberally disposed, could cope single-handed with the problem of public education. Well, I threw in my lot with these men, 20 years ago, and although my active participation in that work has now come to an end, my interest in the welfare of students, in all that concerns their present and future, is as warm as ever. During these 20 years of my life, the greater part of my time has been spent in the society of students. With them some of my happiest hours have been spent. To them my best work, such as it was, was given, and on them my dearest hopes for the future of this land are based. It is, therefore, natural that I should rejoice whenever there is an opportunity for me to meet students, and I am sincerely pleased that the students of this College should have given me this opportunity to meet them. Gentlemen, I do not propose to make a long speech. It would be bad enough to take up the time of the students unnecessarily. But it

would be unpardonable presumption if I were to detain you more than a few minutes when we have in the chair one in whom two exalted offices are combined, namely, that of the Chief Justice and that of the Vice-Chancellor. I will, therefore, address only a few words to the students who are assembled here, and I hope that they will receive these words in the spirit in which I propose to address them. Gentlemen, I hope that the students of this College realise adequately the character of the work in which they are engaged within the walls of this College. It is true that our Colleges and Universities, even the oldest of them, are comparatively of recent growth, and so that venerable tradition which surrounds the ancient seats of learning in the West and which exercises so powerful a hold on the minds and imagination of the students there—that venerable tradition has yet to grow round our institutions. But in one sense the very newness of this College learning you seek, marks you off from the rest of the people of this land, marks you off, I hope not in sympathies and interests—that would be a misfortune—but marks you off as men to whom a special trust is given, marks you off as persons who have entered a new brotherhood with special aims and aspirations in life. I want you to see that in proportion as you realise this, in that proportion the purpose which those great persons who introduced


Western education in this country had in view, would be accomplished. In one respect I think it is best to make an admission at once. One of the first objects of the Universities all over the world is to produce a class of men who would devote themselves to research and scholarship on the highest plane. I fear this is not possible in this country at any rate, not possible on a large scale for some time to come. In the first place the atmosphere that is necessary for such research and scholarship does not exist here and that atmosphere must come into existence only slowly. Then our men do not enjoy those opportunities of learned leisure which are necessary for such work to be done. Further, those material equipments that are essential in the shape of libraries and laboratories are here of the poorest. You cannot, therefore, expect much work on this highest plane in this country for some time to come, and that should be admitted at once. There is, however, other work perhaps not so dignified in appearance, but not less useful for the immediate welfare of the country, that can be done by our educated men. You can recognise this education as a new factor in your life, as an ennobling influence under which you have now placed yourselves. And that means that your studies should not end when your College career is over. For if this influence is recognised by you as an ennobling influence, you can never have too much

of it. It is a reproach that is sometimes justly urged against you that your studies end with your College career, and this reproach you must try to wipe away. And if you do that, you will attain a higher measure of culture, a higher degree of refinement and you will have qualified yourselves better even for the ordinary duties of life than if you give up your studies the moment you leave your College. This is one of the directions in which all can take advantage of the facilities that are placed at their disposal though you may not be able to do much work on the highest plane. In other directions, too, you may make yourselves useful. There is the call of duty on all sides whichever way we turn. (There is a great deal of work to be done in this ancient land. I do not stand here to preach one set of views in preference to another, but I simply point out the responsibilities that lie on you. You will soon be surrounded by duties of a pressing character. There is work to be done for the mass of your countrymen who are plunged in ignorance and superstition. This mass has been kept at a lower level of existence from which level it has got to be raised. Then there is work to be done for the elevation of the status of the woman-kind of the land. A whole sex shut out from the intellectual life of a people—this is not good for any country.) In religion many of the old institutions are existing only in form and the spirit seems to

have fled from them. You have got to recognise that there is work to be done in that direction as well. Further, the whole country is on a low level in regard to political existence and that means arduous work for those who interest themselves in that question. Lastly, the industrial development of the country needs to be urgently attended to. In all these directions there is work to be done. It is true that it is not every one who can undertake such work, but a fair proportion might be reasonably expected to take some interest in this work in one or another various fields that I have mentioned. This is the call of duty which you will have to recognise when you leave College and take your place in life. Even if you are unable to do anything distinctive in this connection, there is one other direction in which you can all show yourselves worthy of the education you have received. Each one of you can do your duty all the better for the education you have received—can show that you recognise the responsibilities that devolve upon you better on account of the education that you have received. Many of us are apt to imagine that those who loom largely in the eyes of the public are the only ones that lead really useful lives. We sometimes talk and write as though only one or two individuals were really doing useful work and the rest only vegetating. It is, however, a mistake to think so. (A nation's true greatness depends upon

its average man and woman. Seven years ago I was privileged to go to England. There were, of course, great statesmen, great generals, and men of great learning, men of great wealth, but what struck me most was that the greatness of England was due to the fact that the average men and women there led more earnest lives, recognised their responsibilities better than we do, endeavoured to prove more serviceable to society than is the case here. (It is in the life, thoughts and actions of the average man and woman that the solid strength of a nation really lies.) You may not be privileged to make any large contribution to the world's knowledge by research and scholarship, but every one of you can lead better, more earnest lives on account of the education you have received. If you do that in your own persons, you will have set a high example to those who come after you, and you will also have largely added to the moral energy of the nation. I therefore ask you to realise this, that it is in the power of every educated man to show that he is worthy of the education he has received, first by continuing his interest in his studies,) secondly, by trying to be of service to his countrymen in any of the five fields I have just referred to, (and thirdly, by leading in his own particular sphere a better, a more earnest, a more dutiful life.) Gentlemen, I do not wish to detain you longer. We are all

living in a new dawn of which no one can foresee the perfect day. But it is something to have been vouchsafed a glimpse of the vision and I am sure we shall be privileged to see more and more of it, as we profit more and more by the discipline through which, under the dispensation of a wise and loving Providence, we are passing. The meaning of this discipline we shall altogether miss, if we do not take the fullest advantage of the beneficent agencies which have been introduced into the country by the present rulers. Among these agencies, none stands higher than Western education and among the institutions that are engaged in imparting this education, your College occupies a prominent place. I wish renewed success and prosperity to this institution. Great as has been its past, I trust that a career of still greater distinction and greater usefulness is in store for it. Gentlemen, I tender once again my sincere thanks to you all—to the students for their kind address, to the authorities of the College for the permission they so readily granted to the students to invite me here, and to you, Sir, for graciously taking the chair on this occasion.



THE WORK BEFORE US.

[*The following speech was delivered by the Hon. Mr. Gokhale at a public meeting at Allahabad on 4th February 1907, the chair being taken by Pundit Motilal Nehru :—*]

Mr. Gokhale began by thanking the audience for the cordial reception which they had given him. That was not his first visit to Allahabad. He had been there twice before and he could well recall the impression which the city first made on him—how he was filled with feelings of rapture and of awe at the sight of the two great rivers which have for ages meant so much to every Hindu—the holy Ganges and the noble Jumna—and how he gazed and gazed on their wonderful confluence, as though rooted to the spot, his mind sweeping back all the time over the chequered past of the ancient land, her glories and misfortunes, the faiths, the hopes, the achievements, the trials of their race. That was seventeen years ago and since then the name of Allahabad had moved him strangely—had stirred within him emotions which it was a privilege to feel. They could imagine, therefore, with what pleasure he visited the city again and how grateful he felt to them for the opportunity they had given him to meet them there that evening.

The question of questions that was engaging their minds at that moment was that of their present political condition and their future ; and Mr. Gokhale proposed to speak to them that day of the work that lay before them and must be done, if ever their aspiration to achieve political freedom for themselves was to be realised. "There is no doubt," he said, "that the present is a most important juncture in the affairs of our country—one of those decisive moments when the mind of the people is about to take a great step forward and when a right judgment means so much new strength added to the nation and a wrong judgment is fraught with consequences far graver than on other occasions. In several respects the situation is one which every lover of the country will regard with deep satisfaction. The new century has begun well for the East. We have seen a great drama enacted before our eyes, which is exercising a profound influence over the relations between the East and the West. The very air around us is charged with new thought-currents. A new consciousness of power is stirring within us—a new meaning of our existence is breaking upon our mind. Lord Curzon's repressive measures have only proved a blessing in disguise. The rapid growth of the Swadeshi sentiment all over the country—and Swadeshim at its highest means a fervent, passionate, all-embracing love of the motherland—must make every true Indian heart glow with pleasure and pride ;

and altogether we seem to see the first faint streaks of a new dawn which, in God's Providence, must in course of time grow into the perfect day. There is thus much in the situation over which the heart most truly rejoices, but let me also say that there are elements present, which give rise to a feeling of anxiety and fill one with a certain amount of misgiving." The speaker, therefore, thought that a useful purpose would be served by reviewing briefly their present position so that they might realize with some clearness what their goal was or should be and how far they had advanced in the direction of that goal.

What were, he asked, the broad features of the situation? They had on one side the bureaucracy, a small body of foreign officials, who held in their hands practically a monopoly of all political power. These men, who had behind them the vast power of a mighty Empire, had built up in the course of a century an elaborate and imposing fabric of their rule in the country and though this fabric was for the most part like a thing outside the people, hardly touching at any point what might be called their inner life, it bore witness to their great powers of organization, their sense of discipline and their great practical capacity, and invested them with a high prestige in the eyes of the people. On the other side they had the vast mass of the people of the country lying inert and apathetic, except when under the sway of a religious impulse,

and only now showing here and there the first signs of a new life, deplorably divided and sub-divided, with hardly any true sense of discipline, plunged in abject poverty and ignorance, and wedded to usages and institutions which, whatever their value for purposes of preservation, were not exactly calculated to promote vigorous, sustained or combined action for purposes of progress. Between the two there stood the educated class, with its numbers steadily growing, already exercising extensive influence over the mass of the people and bound by its capacity and education, its knowledge of the needs of the situation, its natural aspirations and its patriotism to lead the people in the new struggle. This class, at one time so well-disposed to British rule, was daily growing more sullen and discontented, resenting the non-fulfilment of solemn promises, feeling keenly the humiliation of its subject position and determined to attain for itself a political status worthy of the self-respect of civilized people. After dwelling on the difficult and complicated nature of the problem which they had to face, the speaker proceeded to consider what should be their goal in the circumstances. "And here at the outset," he said, "let me say that I recognize no limits to my aspiration for our motherland, I want our people to be in their own country what other people are in theirs. I want our men and women, without distinction of caste or creed, to have opportunities to grow to the full height

of their stature, unhampered by cramping and unnatural restrictions. I want India to take her proper place among the great nations of the world, politically, industrially, in religion, in literature, in science and in arts. I want all this and I feel at the same time that the whole of this aspiration can, in its essence and its reality, be realized within this Empire." The question was one not of what was theoretically perfect, but of what was practically attainable. It was further a question not merely of dreams, but also of muscle and character, of capacity, of organization, of sacrifice. The cases of the French in Canada and the Boers in South Africa showed that there was room in the Empire for a self-respecting India. Some of their friends, appalled by the extreme difficulty of their task and under the belief that this goal could never be attained, had begun to talk of another goal, even more impossible of attainment. They were like persons who sought to fly from the evils they knew of to those that they knew nothing about. The goal of self-government within the Empire involved a minimum disturbance of existing ideas, and it meant proceeding along lines which they understood, however difficult the progress might be. Such a goal, moreover, enlisted on their side all that was high-minded, freedom-loving and honourable in England—and there was much in that country that was high-minded, freedom-loving and honourable. Despite occasional lapses—and some of them most

lamentable lapses—despite prolonged reactions, inevitable in human affairs, the genius of the British people, as revealed in history, on the whole made for political freedom, for constitutional liberty. It would be madness, it would be folly on their part to throw away in the struggle that lay before them these enormous advantages. He was glad to see that one of the leaders of what was known as the New Party—Mr. Tilak—had stated in a recent issue of his paper that self-government on Colonial lines sufficed for him as a thing to work for. Having thus laid down emphatically that the only practical goal before them was self-government within the Empire, Mr. Gokhale proceeded to consider the means by which that goal was to be reached. He could, he said, point out no royal road. A vast amount of work in various fields was necessary, but one thing they must be clear about and that was that, the goal being what it was, their reliance must be on what was called constitutional agitation. The question had often been asked what was constitutional agitation? He would attempt to frame an answer to that question. Constitutional agitation was agitation by methods which they were entitled to adopt to bring about the changes they desired through the action of constituted authorities. Thus defined, the field of constitutional agitation was a very wide one. But there were two essential conditions—one, that the methods adopted were such as

they were entitled to employ, and secondly, that the changes desired must be obtained only through the action of constituted authorities by bringing to bear on them the pressure of public opinion. Now, what were the methods they were entitled to employ? The first idea suggested, on a consideration of the question, was that physical force was excluded. Proceeding with the consideration further, the speaker said that three things were excluded—rebellion, aiding or abetting a foreign invasion, and resort to crime. Roughly speaking, barring these three things, all else was constitutional. No doubt everything that was constitutional was not necessarily wise or expedient. But that was a different matter. Prayers and appeals to justice lay at one end. Passive resistance, including even its extreme form of non-payment of taxes till redress was obtained—lay at the other end. Judged in that light, nothing that was being done at present in the country was unconstitutional, whatever one might think of the way some persons chose to express themselves. Of course, the question of what was wise and expedient and what was unwise and inexpedient was of the utmost importance, but he would revert to that later. As regards the second condition, namely, that redress must be obtained through the constituted authorities, it was clear that that implied constant pressure being brought to bear on the authorities, and the idea that they should have nothing to do with the authorities

was one not to be entertained. The pressure exerted undoubtedly depended upon the strength and determination of the public opinion behind it, and the necessity of building up that strength and hardening that determination was obviously paramount. But the idea that they should leave the authorities severely alone and seek to attain their goal independently of them was inadmissible and absurd.

Mr. Gokhale next proceeded to point out that the loose talk in which some people indulged, namely, that constitutional agitation had failed in their country, was unjustified, as they had not yet exhausted even a thousandth part of the possibilities of real constitutional agitation. The work done by the Congress during the last twenty-two years was of great value in nation-building. They must not forget that if one part of their inheritance was a glory for all time, another part of it was a curse. They had been struggling with increasing success against that curse. The work of the Congress had enabled them to think and feel nationally, had defined their needs, taught them the value of organisation and accustomed them to the duties and burdens of public life. More, no doubt, might have been done, if greater zeal, greater devotion and greater sacrifice had been forthcoming in the service of the cause. But the responsibility for that rested upon all; and, perhaps, it was after all true that there was a time and a tide for everything. The last twenty

years had been a period of reaction, not only in India, but also in England. Their inability to obtain certain specific reforms, for which they had been agitating during the time, should not, therefore, be held to establish the futility of their methods. Political privileges could not be had for the mere asking and they had cost other people prolonged struggles. The moral interest of their struggle would be entirely missed, if they judged of the value of their efforts by tangible immediate results only. The way some of his friends spoke of their disappointments made him almost wish that the few liberties that they enjoyed had not come to them as the spontaneous gift of far-sighted statesmen but had had to be struggled for and won by their exertions. Of the authorities on whom they had to bring their pressure to bear, the bureaucracy in India must be expected to be more or less hostile to their aspirations. But the great change that had taken place in England during the last year in the position of parties, the revived fervour for freedom and sympathy for national aspirations which was, at the present moment, so marked a feature of the new House of Commons and of the democracy behind it, meant a strong influence in their favour, though how much they benefited by it depended largely upon themselves. He had always held that nine-tenths of their work had to be done in this country, where alone the real

and enduring strength of the people could be built up. But at the present stage of their progress, an important part of their work lay also in England. By keeping in touch with the democracy, they could prevent the officials in India from going beyond certain limits in the path of repression, and they could also obtain valuable assistance from that democracy in their present preliminary work of nation-building. The question of universal education in India illustrated, for instance, the speaker's meaning. It was a question primarily of funds. Universal education in India meant an annual expenditure of at least five to six crores of rupees. He did not expect that the bureaucracy, left to itself, would ever care to find that money. It was also not to be expected that private or voluntary effort would be forthcoming to cope with a task of that magnitude. But by bringing the pressure of the British democracy to bear on the authorities, there was every possibility of the question being satisfactorily solved. Of late there had been a tendency in the country to deprecate the value and importance of individual reforms. But they had to make up their minds about it that it was not through any sudden or violent cataclysm but only by successive steps, each, perhaps, a small one in itself, that their goal was likely to be reached. Conflicting interests had to be reconciled; the advance was on unfamiliar lines and no useful

purpose would be served by ignoring obvious limitations.

But, after all, everyone must recognize that their main work was to build up the strength of their own people. That work, roughly speaking, was three-fold. First, the promotion of a closer union among the different sections of the Indian community—between the Hindus and Mahomedans—and among the different sections of the Hindus themselves; secondly, the development of a stronger and higher type of character, firm of purpose and disciplined in action; and thirdly, the cultivation of an intense feeling of nationality throughout the country, rising superior to caste and creed and rejoicing in all sacrifice for the motherland, accompanied by a spread of political education among the masses. The speaker dwelt at some length on the necessity and importance of this three-fold work, observing about the Hindu-Mahomedan problem that it was a most difficult one but it certainly was not insoluble. Higher education was largely doing this work in that matter, but the situation called for the exercise of great tact and great forbearance. And he for one felt hopeful that, before very long, all that was highminded and patriotic among their Mahomedan brethren would be ranged on the side of their country without thought of anything else.

The speaker lastly dealt with what he called the new teaching. He had no desire, he said, to engage in any unnecessary controversies. But when their countrymen were being called upon to go in for new methods on the ground that they alone would achieve national salvation, it was incumbent on all workers in the cause of the country to examine the claims made for those methods. They were being told that they should now give up having anything to do with the Government of the country and that by the simple expedient of a universal boycott, they would be able to achieve everything they had in view. Mr. Gokhale proceeded first to consider what might be called the industrial boycott. Most of those, he said, who spoke of boycotting foreign goods, only meant to convey by the word that they wanted to use as far as possible Swadeshi articles only, whatever inconvenience, discomfort or extra expense such a course might cause. Now there was no doubt that that was one way of serving the Swadeshi cause, and for the mass of the people whose wants were simple and who could not directly contribute much to the promotion of new industries, perhaps, the only way. It ensured the consumption of articles produced in the country and stimulated the production of new ones, supporting the industries in their early stages of stress and struggle. In the speaker's opinion, all that was really included in true Swadeshi, which was not merely a pious wish

for the industrial prosperity of the country, but implied a voluntary sacrifice according to each man's opportunities for the building up of indigenous industries. But the use of the word boycott to convey this meaning was unfortunate, for boycott really implied a vindictive desire to injure another, even if one had to injure oneself in doing so. This stirred up unnecessary ill-will against the Swadeshi cause and was calculated to pile up unnecessary difficulties in its path. It was no easy task which confronted them and they needed for its successful accomplishment co-operation from all quarters. Mr. Gokhale mentioned the introduction of Egyptian cotton by the Bombay Government into Sind and the large possibilities which that opened up before them as an illustration of his meaning. However, he did not wish to lay too much emphasis on that aspect of the question. What he wanted to point out principally was that the exclusion from their markets of foreign goods of which they imported a hundred crores worth a year at present, was bound to be a slow affair ; and that even the attainment of a substantial measure of success in that work, however helpful in increasing our resources, would not much affect the present political domination, which, in certain conceivable circumstances, might then tend to become even harsher. Mr. Gokhale then turned to the general or political boycott that some were advocating. Talking of its practicability, he considered it


a preposterous thing that anybody should imagine that such a thing was feasible in the present state of the country. The building up of national schools and colleges all over the country out of private resources, on any scale worth speaking about, would take years and years of time and a tremendous amount of sacrifice on the part of the people, and before anything substantial had been done, to talk of boycotting existing institutions was sheer madness. It should be noted that the more thoughtful advocates of national education urged, not the destruction, but the supplementing of the work done by Government in the field of education. The speaker recognized serious defects existing in the present system, but it had done and was doing much good and the fostering of the present national spirit was directly its outcome. As regards boycotting Government service, the speaker would not be sorry to see the present scramble for Government employment cease, to see, at any rate, that a larger proportion of his educated countrymen struck out independent careers for themselves. They would then have more workers devoted to the service of the country. He himself had been preaching for some time past that a few at least of the young men who left the Universities should give up all thought of personal advancement and devote themselves in a spirit of sacrifice to the service of the motherland. But to talk of a general boycott of Government service in their

situation was ludicrous in the extreme. The attempt at boycott would be felt by the Government, if only the number of men wanted by it for its work failed at any time to come forward. Well, with all respect, he must decline to consider that as a practical proposal. Finally, there was the boycott of honorary offices, such as seats on Local and Municipal Boards and on Legislative Councils. If the present men resigned, enough men would still be forthcoming to take their places, and those who resigned would soon find that they had only thrown away such opportunities as could be had at present of serving the public. They must seek steadily to increase what little powers of administration and control they possessed, and they would be injuring and not advancing the interests they had at heart by the course proposed. The speaker said that they must all resist as much as they could the attempt to shift the foundations of their public life. He would make one suggestion to those who advocated a general boycott as the sole, or indeed any, means of achieving self-government in the present state of India. Non-payment of taxes was the most direct and the most effective form of passive resistance, and it had, moreover, the merit of bringing home to each man the responsibility of his own action. If some of those who were talking of employing passive resistance to achieve self-government at the present stage of the country's progress would adopt that form of passive resistance,

they would soon find out where they stood and how far they were supported.

In concluding his address, which had lasted for an hour and a half, Mr. Gokhale exhorted his countrymen to sink small differences and work together wholeheartedly in the service of India. "We cannot," he said, "allow ourselves to be split up into small sections fighting with one another for the sake of petty differences. After all, there is a destiny which is really shaping our ends and we are all engaged in merely rough-hewing them. Whoever promotes union in the country, whoever preaches Swadeshi, whoever inculcates lessons of self-sacrifice, whoever builds up in any shape or form the strength of the nation—politically, socially, industrially, morally—he is a fellow-worker, a brother. The struggle before us is a long and a weary one, and while the thought of it should stimulate all our energies, undue impatience will only recoil upon our own heads. Nation-building is nowhere an easy task. In India it is beset with difficulties which are truly formidable and which will tax to the uttermost all our patience, all our resources, and all our devotion. Let us not forget that we are at a stage of the country's progress when our achievements are bound to be small, and our disappointments frequent and trying. That is the place which it has pleased Providence to assign to us in this struggle and our responsibility is ended when we have done the work which

belongs to that place. It will, no doubt, be given to our countrymen of future generations to serve India by their successes ; we, of the present generation, must be content to serve her mainly by our failures. For, hard though it be, out of those failures the strength will come which in the end will accomplish great tasks."



THE SWADESHI MOVEMENT.

[*In the second week of February 1907, the Hon. Mr. Gokhale delivered a series of public addresses at Lucknow. The following address, the second of the series, was delivered on 9th February 1907, Raja Rampal Sing being in the chair :—*]

Mr. Chairman, Ladies and Gentlemen,—I propose to speak to you to-day of the economic condition of India and the Swadeshi movement. One of the most gratifying signs of the present times is the rapid growth of the Swadeshi sentiment all over the country during the last two years. I have said more than once here, but I think the idea bears repetition, that Swadeshim at its highest is not merely an industrial movement, but that it affects the whole life of the nation,—that Swadeshim at its highest is a deep, passionate, fervent, all-embracing love of the motherland, and that this love seeks to show itself, not in one sphere of activity only, but in all : it invades the whole man, and it will not rest until it has raised the whole man. Now the first thing I want to say about this movement is that it has come here to stay. We often have movements which make a little noise for a time and then disappear without leaving any

permanent mark behind. I think it safe to say that the Swadeshi movement is not going to be one of that kind, and my own personal conviction is that in this movement we shall ultimately find the true salvation of India. However, ladies and gentlemen, I do not wish to speak to you to-day about Swadeshim in general. The more immediate question before us is Swadeshim as applied to the present economic situation of India—its scope and character, the materials with which it has to work, and the difficulties it has to overcome before it can achieve in any degree the true industrial regeneration of the country.

Gentlemen, as Mr. Ranade once pointed out, the industrial domination of one people by another attracts much less attention than the political domination of a foreign people. The industrial domination is less visible and does its work in a more insidious manner. The disadvantages of a political domination lie very much on the surface. We see a foreign race monopolising all power and authority and keeping the people in a state of subjection. These are facts which we observe and feel every day of our lives. Human feelings often matter more to humanity than human interests, and when your feelings are hurt in various directions, as in a state of subjection they are bound to be—I do not mean to throw any unnecessary blame on any one—their thought fills you night and day and makes you think constantly of the fact that you are living under

a foreign domination. On the other hand, the industrial domination of one people by another may come in an attractive garb. If, as has been the case with India, this foreign domination comes in the shape of more finished articles—especially articles that administer to the daily wants of a community—you unconsciously welcome the domination, you fall a victim to its temptations and its attractiveness. And it is only when the evil grows beyond certain limits, that your attention is drawn to it. Now this is precisely what has happened in the case of India. As soon as Western education came to be imparted to the people of this country, their first thoughts were directed to their political status. Of course they also thought of their social institutions. Those who are acquainted with the history of the last fifty years, know that the struggle for political and social reforms started almost simultaneously, but I do not wish to go into that on this occasion. What I want to point out is that the thought of the industrial domination of India by England did not really occur to men's minds at that time. At any rate, it did not occur in that pointed manner in which the thought of political domination did. The result was that the main current of our public activity came to be directed towards the realization of our political aspirations, and about 22 years ago when the Congress came into existence for the political advancement of the people, the question of

this industrial domination, though it had struck a few thoughtful minds, did not receive that consideration at the hands of the leaders of the people that it deserved. However, the industrial problem and its importance are now receiving their due recognition, and to-day, at any rate, we appear to have gone so far in this direction that there is now the risk of the industrial problem actually throwing into the shade the political problem, which, however, to a great extent lies at the root of the industrial problem.

Gentlemen, when we come to this question of India's industrial domination by England, we come to what may be described as the most deplorable result of British rule in this country. In other matters there are things on the credit side and things on the debit side. Take, for instance, the political and administrative results of British rule. We have here the shutting out of a whole race from positions of real trust and responsibility where powers of initiative can be developed, and this is producing disastrous results on the character of the people. We also see that the forcible disarming of a population is bound to crush the manhood of the nation. In these directions we find that a steady deterioration of the race has set in. But there are compensating advantages, and I am not sure that the balance is not on the latter side. Thus, the introduction of Western education, with its liberalising influence, has been a great blessing to the

people. We now understand better the necessity of equal treatment for all; we also see that unless the status of woman is raised, man by himself will not be able to advance very far; and altogether this Western education is doing most noble work in the country. Then the British have established, on the whole, equal justice between Indian and Indian—as between European and Indian, that is a different matter—but between Indian and Indian it is equal, though it is costly, and that is more than can be said of previous rulers. Railways, Telegraphs, Post Offices and other modern appliances of material civilization have also been introduced into India by the present rulers, and it is fair to acknowledge that these things have added greatly to the comforts and conveniences of life and are a powerful help to our progress. Lastly, there are the blessings of peace and of order well and firmly established. These are things which must be set against the steady deterioration of which I have already spoken, and I am not prepared to say that the balance is not, on the whole, on the side of the advantages. But when you come to the industrial field, you find that the results have been disastrous. You find very little here on the credit side and nearly all the entries on the debit side. Now this is a serious statement to make, but I think it can be substantiated. I would ask you, first, to glance at what India was industrially before

the English came into this country. It is true that there is very little direct or statistical evidence on this subject. But the statements made by travellers who came to this country supply a fair indication of how things were, though they do not enable us to establish a conclusion accurately or satisfactorily. We find, for instance, praise of India's riches in every place; we find also here and there a description of the poverty of the mass of the people. And, on the whole, I think it is fair to say this—that, compared with other countries, India could not have been worse, and very probably she was better off than most other countries, and I think this description may well apply to her right up to the end of Mahomedan rule. India's reputed wealth was the attracting cause of so many invasions. Large wealth must, therefore, have been accumulated in some hands, and so far as the bulk of the population was concerned, as the land was fertile and the people were industrious and thrifty and, on the whole, free from vices, such as drink, it is fair to conclude that the people must have enjoyed a considerable degree of rude agricultural prosperity. It is not proper to compare the West of to-day, with all its production of machinery and steam, with the India of 200 years ago. Before steam and machinery were employed in the West, the West too was largely agricultural, and she had then no special advantages for the production of wealth over us. And

I believe that, judged by the standards of those days, we could not have been poorer, and very probably we were richer than most Western countries. Then there was the excellence of our productions which attracted the attention of Western nations—the fine muslins and many other things exported from this country showed what a high level of excellence had been reached by our people in industrial production. When the Mahomedan rulers came, they settled in this country, and there was no question of any foreign drain. Things, therefore, must have, on the whole, continued as they had been before their time.

Then we come to British rule. Gentlemen, I refer, on this occasion, to the past only in order that, in the light of it, we might understand the present and derive therefrom guidance and assistance for the future. The early days of the East India Company's rule were as bad as bad could possibly be from the standpoint of India's industrial system. Deliberate steps were taken by the Company to destroy the industries of the people and to make room for Western manufacturers. This has been acknowledged by English writers themselves. This was England's policy, not towards India alone, but towards America and Ireland also. America got rid of it by shaking off England's dominion altogether. Ireland struggled to do the same, but did not succeed. India suffered the worst under the operation of the evil policy. The object

aimed at by the East India Company was to reduce India to the level of a merely agricultural country producing raw material only, without factories to manufacture the same. This was the first stage in our industrial decay. The second stage began when England forced on us the policy of free trade, *i. e.*, of leaving the door wide open to the competition of the whole world. England's own policy for centuries had been that of Protection, and by that policy she had built up her vast Industrial system. But about sixty years ago, after Protection had done its work, she decided to give up the old policy and adopt Free Trade, mainly to set right the abuses to which Protection had given rise. England depends on foreign countries for most of her raw materials, and she supplies manufactured articles practically to the whole world. It was, therefore, to the advantage of England that there should be no export or import duties, as one result of such duties was to add to the cost of the articles supplied to foreign countries. But forcing this policy of free trade upon a country circumstanced as India was, was a wholly different thing and was bound to produce results of a most disastrous character. Our things were made with the hand ; we did not possess anything like the combination, skill or enterprise of the West. Steam and machinery were unknown in the country. Our industries were, therefore, bound to perish as a result of the shock of

this sudden competition to which they were exposed, and as a matter of course the introduction of Free Trade in this country was followed by the rapid destruction of such small industries as had existed in the country, and the people were steadily pressed back more and more on the one resource of agriculture. I should not have deplored even this destruction of our indigenous manufactures if the Government had assisted us in starting others to take their place. The German economist—List—whose work on Political Economy is the best that Indian students can consult, explains how the State can help an old-world agricultural country, suddenly brought within the circle of the world's competition, to build up a new system of industries. He says that the destruction of hand-industries is a necessary stage through which an industrially backward country must pass before she can take rank with those which use steam and machinery and advanced scientific processes and appliances in their industrial production. When hand-made goods are exposed to the competition of machine-made goods, it is inevitable that the former should perish. But when this stage is reached, there comes in the duty of the State. The State, by a judicious system of protection, should then ensure conditions under which new infant industries can grow up. And until the new industries can stand on their own legs, it becomes the duty of the State to have a

protective wall around. This is what America—already one of the richest nations in the world, and one which will yet reach the foremost place—has done, and the case is the same with France and Germany. The result of England's policy in India has, however, been to facilitate more and more the imports of foreign commodities, until there is no country on the face of the earth to-day which is so dependent on the foreign producer as India is. At the present moment about 70 per cent. of our exports are raw material raised from the soil and exported in that condition. If we had the skill, enterprise, capital and organisation to manufacture the greater part of this material, there would be so many industries flourishing in the country. But the material goes out and comes back in the shape of manufactured commodities, having acquired a much higher price in the process of manufacture.

Again, if you look at your imports, you will find that 60 per cent. of them are manufactured goods. They are goods which have been made by other people, so that all you have got to do with them is to consume them. If this was all, if the steady rustication of India—her being steadily pushed back on the one resource of agriculture—was all that we had to deplore as the result of the present policy, the situation, bad enough as it would undoubtedly have been, would not have been so critical. But coupled with political do-

mination, this has produced a state of things which can only be described as intolerable. The total imports of India are worth about 100 crores of rupees every year. Our total exports, on the other hand, amount to about 150 crores a year.

In other words, every year about 100 crores worth of goods come to us, and we part with 150 crores worth of goods. After taking into consideration the precious metals that come into the country to redress a part of the balance, we still find that a loss of about 30 to 40 crores a year has to be borne by India. Now, I will put a simple question to those present here. If a hundred rupees come into your house every month and a hundred and fifty rupees go out, will you be growing richer or poorer? And if this process goes on year after year, decade after decade, what will be your position after a time? This has been the case with India now for many years. Every year between 30 and 40 crores of rupees go out of India never to come back. No country—not even the richest in the world—can stand such a bleeding as this. Bleeding is a strong word, but it was first used with regard to this very process by a great English statesman—the late Lord Salisbury—who was Prime Minister of England for a long time and was before that Secretary of State for India. Now this bleeding is really at the root of the greater part of the economic mischief that we have to face to-day.

It means that this money, which would have been available to the people, if it had remained in this country, as capital for industrial purposes, is lost to us. The result is that there is hardly any capital of our own forthcoming for industrial purposes. Do not be misled by the fact that a few individuals appear to be rich and have a little money to invest. You must compare India in this matter with other countries, and then you will find that there is hardly any capital accumulated by us to be devoted to industrial development. One of the greatest students of Indian Economics—the late Mr. Justice Ranade—once calculated that our annual savings could not be more than 8 to 10 crores of rupees. Put it even at 20 crores ; what is that in a vast country like India compared with the hundreds and thousands of crores accumulated annually by the people of the West ! This, then, is at the root of our trouble. I do not say that there are no considerations on the other side. It might, for instance, be said that the railways in this country have been constructed with English capital. About 375 crores have been so far spent to build these railways, and it is only fair that for this capital India should pay a certain sum as interest. Englishmen have also invested British capital in indigo, tea and other industries. A part of this capital has no doubt come out of their own savings made in this country, but whether the money has been earned here

or imported from England, the investors are, of course, entitled to a reasonable rate of interest on it. But after a deduction is made on account of this interest, there still remains a sum of over 30 crores as the net loss that India has to bear year by year. You may ask what politics has got to do with this. Well, the greater part of this loss is due to the unnatural political position of India, and I think we shall not be far wrong if we put the annual drain, due to political causes directly and indirectly, at about 20 crores of rupees. The greater part of the 'Home Charges' of the Government of India, which now stand at about 18 millions sterling or 27 crores of rupees, comes under this description. To this has to be added a portion at least of the annual savings of European merchants, lawyers, doctors and such other persons, as the dominant position of the Englishman in the country gives these classes special advantages which their Indian competitors do not enjoy. Then there are the earnings of the English officials and the British troops in the country. And altogether I am convinced that it is not an extravagant estimate to put the annual cost to India of England's political domination at 20 crores of rupees, the remaining ten crores being lost on account of our industrial domination by England.

This, then, is the extent of the 'bleeding' to which we are subjected year after year! It is an enormous

economic evil, and as long as it is not substantially reduced, the prospect cannot be a cheering one. After all, what can you do with a small amount of capital? You must not be led away by the fact that, from time to time, you hear of a new industrial concern being started here or there. The struggle is a much bigger one than that. It is like the struggle between a dwarf and a giant. If you will form the least idea of the resources of the Western people, then you will understand what a tremendously difficult problem we have to face in this economic field. If this continuous bleeding is to cease, it is incumbent that our men should be employed more and more in the service of the State, so that pensions and furlough charges might be saved to the country. The stores which the Government of India purchases in England should be purchased locally as far as possible. In other directions also our position must be improved. But, I think, we should not be practical, if we did not recognize that any important change in the political relations between England and India could come only gradually. It is not by a sudden and violent movement that relief will come. It will only come as we slowly build up our own strength and bring it to bear upon the Government. As this strength is increased, so will the drain be diminished. The industrial drain—due to the fact that we depend so largely for our manufactures upon foreign countries—is, really speak-

ing, but a small part of the drain—about one-third or ten crores of rupees a year. This means that if we ever succeeded in reaching a position of entire self-reliance industrially, it would still leave about two-thirds of the present annual drain untouched. Moreover, such entire dependence upon yourselves for industrial purposes is a dream that is not likely to be realised in the near future. I am sorry I must trouble you with a few figures, but a question of this kind cannot be adequately considered without bringing in statistics. What, then, is the position? India, as you know, is for the most part an agricultural country. Sixty-five per cent. of the population, according to the last census reports—80 per cent. according to the computation of Lord Curzon—depend upon agriculture. The soil is becoming rapidly exhausted and the yield per acre is diminishing. If you compare the yield to-day with what it was in the time of Akbar, as given in the *Ain-i-Akbari*, you will be astonished to see what deterioration has taken place in the soil. This makes agricultural improvement a matter of great difficulty. You have got to abolish old methods as much as possible and effect improvements by introducing the methods of the West. You have got to introduce agricultural science and improved agricultural implements, and the question is complicated by the fact that our agricultural production in this country generally is on what is called a small scale. Land

is divided and sub-divided, and most of the holdings are so small as not to lend themselves to the use of advanced appliances. The ignorance and resourcelessness of the people also stand in the way and altogether agricultural improvement is bound to be a matter of slow growth. But this is one direction in which you young men can help the country. Instead of scrambling for government service or overcrowding the already crowded bar, let a few at least among you acquire agricultural education abroad, acquaint themselves with the use of advanced agricultural appliances, and then settle down to agricultural work in this country. You will thereby not only improve agriculture for yourselves, but you will also show the way to others, and they will follow when they see the good results obtained by you. The Government, which has only recently awakened to its duty in this matter, has already taken agriculture in hand, but the greater part of this work must be done by ourselves. Our next industry, after agriculture, is the textile industry—the cotton industry. Now, taking only the production of mills, we find that last year about one-fourth of what the whole of India needed was produced in India, and three-fourths came from outside. The capital that is invested in this country in the textile industry is between 16 and 17 crores of rupees. This may seem a large amount to some of you, but what is it compared with the capital invested in this industry in England?

In Lancashire alone 300 crores of rupees are invested in this textile industry, and every year the amount is increasing by leaps and bounds. On a rough calculation you will find that, if our present production is to be quadrupled, about forty to fifty crores of rupees of additional capital would be wanted. That cannot be a matter of a day. The hand-loom is doing good work, and has some future before it. But do not let us be under a delusion. The main part of the work will have to be done by machinery. It is only in this way that we shall be able to stand the competition of producers of other countries. If we are able to find this capital in the course of the next 10 or 15 years, I for one shall be content. My own fear is that it will take more than that. If by the end of ten years we are able to produce all the cotton cloth we require, I think we shall have done exceedingly well. We must all bend our energies in that direction and try to capture or rather recover this field as soon and as completely as possible. But then, gentlemen, I would say this. The task, even under the most favourable circumstances, is a formidable one, and it is in the highest degree unwise to add to its great difficulty by unnecessary, bitter or lamentable controversies. You require for a satisfactory solution of this problem co-operation from all quarters, including the Government of the country. We have to depend, for the present at any rate, upon foreign countries for our

machinery. If, in pursuing our object, care is not taken to avoid causing unnecessary irritation to others, there is nothing to prevent this Government from hitting back and imposing a heavy tax, say, of 20 or 25 per cent. on machinery, which would practically destroy all our chances of increasing our production of cotton goods. The problem is also largely a problem of the necessary quality of cotton being obtained in this country. At one time India produced very fine cotton and the finest muslins were made of it. Unfortunately the cultivation of that cotton has, in course of time, owing to various causes, been given up and the present cotton is of short staple which gives you only a comparatively coarse thread. Now we know from past experience that this land can grow superior cotton. And the Bombay Government have been for a number of years making experiments to introduce into the country Egyptian cotton, and have at last been able to produce a cross between the Egyptian and the Indian which has taken root. If all the area irrigated in Sind—the conditions of which are similar to those of Egypt—succeeds in growing this cotton, then the finer fabric problem will have been solved. The co-operation of Government in this matter is thus essential, and those who have occasion to talk of the Swadeshi question should not fail to realize that a great responsibility rests upon them. They only unnecessarily increase the difficulties in our path when they talk as

though we could do without Government assistance in the matter ; and thereby they damage, without meaning to do so, such chances as exist for real industrial progress. But in the case of this cotton industry, I think the outlook, on the whole, is a most hopeful one.

I turn next to the sugar industry. At one time we exported sugar, but at the present time sugar comes into this country to the amount of 7 crores a year. Foreign Governments have been helping their people with bounties, and they have discovered methods whereby the cost of production has been greatly reduced. We, on the other hand, still adhere to our old-world methods of production. Sugarcane is plentiful in all parts of India, especially in your province. If we make up our minds to encourage Indian sugar as far as possible, and in this case I am glad to be able to say "have nothing to do with foreign sugar"—we should be able, with the co-operation of Government, in a brief time to produce all the sugar we want. In this connection I was glad to notice a statement made by your Lieutenant-Governor the other day in the matter. He said he would rejoice if even a single ton of sugar did not come from other countries. By co-operation, therefore, between the people and the Government the sugar problem would be solved practically at once. In Bengal, again, they import a good deal of salt from England

though other provinces consume mostly Indian salt. With such a vast sea-board as India possesses, India ought certainly to be able to produce her own salt. Again, about 20 lakhs worth of umbrellas, 50 lakhs worth of matches and 60 lakhs worth of paper come into the country every year from abroad. All these articles are now being produced here, and with a determination on our part to use these articles as much as possible and encourage their production and consumption, we should soon be able to shut out the foreign supply.

But, after all is said and done, I want you to recognise that the possibilities in the near future are not very large. I say this not to damp any one's enthusiasm, because I do want that your enthusiasm should sustain itself at its highest glow in this matter. But remember that the competition before us is like that between a giant and a dwarf. Even if we successfully make up our minds to have nothing to do with foreign goods, even then the industrial salvation of India will not have been accomplished. We are the poorest country in the world at the present moment; England, on the other hand, is the richest. The production per head in India is £2 or Rs. 30 according to Government calculation, and about Rs. 20 according to Indian calculation. England's production per head is £40, *i.e.*, about 20 or 30 times greater than that of this coun-

try. Take again the buying power of the people as judged by the imports. In England the average imports per head are about £15 or Rs. 235; in the self-governing Colonies of England they are £13; even in Ceylon they are £2 per head; but in India they are only six shillings or 4 to 5 rupees per head. There are other figures equally startling. Take, for instance, the deposits in banks. Of course banking is in a much more backward condition in this country than in England. But even making allowance for that, you will see that the disproportion is very great. The deposits in English banks are about 1,200 crores of rupees, for a population of about 4 crores. We are 30 crores and our deposits are only 50 crores for the whole of India, and these deposits include also the amount held by European merchants and traders in the country. Again, take the Savings Banks. In the Savings Banks and Trustees Banks in England there are 300 crores deposited to-day, as against about 12 crores in this country—less than seven annas per head against about Rs. 75 per head in England. You can easily see now how terrible is the disproportion between England's resources and our own. Add to this the fact that machinery has to come from England, and by the time it is set up here, there is already some improvement effected in England. The problem before us is, therefore, a vastly difficult one and it is a solemn duty resting upon every one, who is a real

well-wisher of the *Swadeshi* cause, not to add to that difficulty, if he can help it.

Our resources then are small, and our difficulties are enormous. It behoves us, therefore, not to throw away any co-operation, from whatever quarter it may be forthcoming. Remember that, though there is a certain scope for small village industries, our main reliance now—exposed as we are to the competition of the whole world—must be on production with the aid of steam and machinery. From this standpoint, what are our principal needs to-day? In the first place, there is general ignorance throughout the country about the industrial condition of the world. Very few of us understand where we are, as compared with others, and why we are where we are and why others are where they are. Secondly, our available capital is small, and it is, moreover, timid. Confidence in one another in the spirit of co-operation for industrial purposes is weak, and joint stock enterprise is, therefore, feeble. Thirdly, there is a lack of facilities for higher scientific and technical instruction in the country. Lastly, such new articles as we succeed in manufacturing find themselves exposed at once to the competition of the whole world, and as, in the beginning at any rate, they are bound to be somewhat inferior in quality and probably higher in price, it is difficult for them to make their way in the Indian market. Now as our needs are various, so the *Swadeshi* cause re-

quires to be served in a variety of ways, and we should be careful not to quarrel with others, simply because they serve the cause in a different way from our own. Thus, whoever tries to spread in the country a correct knowledge of the industrial conditions of the world and points out how we may ourselves advance, is a promoter of the *Swadeshi* cause. Whoever again contributes capital to be applied to the industrial development of the country must be regarded as a benefactor of the country and a valued supporter of the *Swadeshi* movement. Then those who organize funds for sending Indian students to foreign countries for acquiring industrial or scientific education—and in our present state we must, for some time to come, depend upon foreign countries for such education—or those who proceed to foreign countries for such education and try to start new industries on their return, or those who promote technical, industrial and scientific education in the country itself—all these are noble workers in the *Swadeshi* field. These three ways of serving the *Swadeshi* cause are, however, open to a limited number of persons only. But there is a fourth way, which is open to all of us, and in the case of most, it is, perhaps, the only way in which they can help forward the *Swadeshi* movement. It is to use ourselves, as far as possible, *Swadeshi* articles only and to preach to others that they should do the same. By this we shall ensure the consumption of whatever

articles are produced in the country and we shall stimulate the production of new articles by creating a demand for them. The mass of the people cannot contribute much capital to the industrial development of the country. Neither can they render much assistance in the matter of promoting higher scientific, technical or industrial knowledge among us, but they can all render a most important and a most necessary service to the *Swadeshi* cause by undergoing a little sacrifice to extend a kind of voluntary protection to *Swadeshi* industries in their early days of stress and struggle. In course of time, the quality of *Swadeshi* articles is bound to improve and their cost of production to become less and less. And it is no merit if you buy them when they can hold their own against foreign articles in quality or price. It is by ensuring the consumption of indigenous articles in their early stage, when their quality is inferior or their price is higher, or when they labour under both these disadvantages, that we can do for our industries what Protectionist Governments have done for theirs by means of State protection. Those, therefore, who go about and preach to the people that they should use, as far as possible, *Swadeshi* articles only, are engaged in sacred work and I say to them—go forward boldly and preach your Gospel enthusiastically. Only do not forget that yours is only one way out of several of serving the *Swadeshi* cause. And do not do your work

in a narrow, exclusive, intolerant spirit which says—‘whoever is not with us is against us.’ But do it in the broader, more comprehensive, more catholic spirit, which says—‘whoever is not against us is with us.’ Try to keep down and not encourage the tendency, which seems to be almost inherent in the Indian mind of to-day, to let small differences assume undue importance. Harmony, co-operation, union—by these alone can we achieve any real success in our present state.

In this connection I think I ought to say a word about an expression which has, of late, found considerable favour with a section of my countrymen—‘the boycott of foreign goods.’ I am sure most of those who speak of this ‘boycott’ mean by it only the use, as far as possible, of *Swadeshi* articles in preference to foreign articles. Now such use is really included in true *Swadeshi*; but unfortunately the word ‘boycott’ has a sinister meaning—it implies a vindictive desire to injure another, no matter what harm you may thereby cause yourself. And I think we would do well to use only the word *Swadeshi* to describe our present movement, leaving alone the word ‘boycott’ which creates unnecessary ill-will against ourselves. Moreover, remember that a strict ‘boycott’ of foreign goods is not at all practicable in our present industrial condition. For when you ‘boycott’ foreign goods, you must not touch even a particle of imported articles;

and we only make ourselves ridiculous by talking of a resolution which we cannot enforce.

One word more and I have done. In the struggle that lies before us, we must be prepared for repeated disappointments. We must make up our minds that our progress is bound to be slow, and our successes, in the beginning at any rate, comparatively small. But if we go to work with firm faith in our hearts, no difficulties can obstruct our way for long, and the future will be more and more on our side. After all, the industrial problem, formidable as it is, is not more formidable than the political problem. And, to my mind, the two are largely bound together. Ladies and gentlemen, the task which the people of India are now called upon to accomplish is the most difficult that ever confronted any people on the face of the earth. Why it has pleased Providence to set it before us, why we are asked to wade through the deepest part of the stream—to be in the hottest part of the battle—Providence alone knows. But it is my hope and my faith that we will successfully achieve this task. The situation requires us to devote ourselves to the service of our motherland in an earnest and self-sacrificing spirit. But what can be higher or nobler or holier or more inspiring than such service? In working for India, we shall only be working for the land of our birth, for the land of our fathers, for the land of our children. We shall be working for a country which God has blessed in many ways, but which man has not served so well. And if we do this work as God wants us to do it, our motherland will yet march onwards and again occupy an honoured place among the nations of the world.

PROTEST AGAINST THE CAUCUS.

[Early in 1907 a Caucus was formed by Mr. Harrison, Accountant-General of Bombay, and others to prevent Sir P. M. Mehta from being elected by the Justices of the Peace to the Municipal Corporation. A representation against the fairness and validity of the election was sent by certain Members of the Legislative Council to the Government of Bombay, but the Government sent them a curt reply refusing to interfere. Public surprise and indignation were great and found expression at a large meeting held at Madhava Baug on Sunday, the 7th April. The Hon Mr. Gokhale presided on the occasion, and in opening the proceedings, spoke as follows :—]

Ladies and Gentlemen,—This is in many respects a most memorable gathering, and I thank you sincerely for the great honour you have done me in inviting me to take the chair on this occasion. Perhaps a word of explanation is due from me at the outset as to how it is that I am here to-day, and why I am taking this somewhat prominent part in these proceedings. It is true that I am not a rate-payer of this city, nor am I a Justice of the Peace; and my habitual place of residence is Poona and not Bombay. And if the question which has convulsed this city for some time past and

has brought us in our thousands here this afternoon, had been merely a local question—local in the interests it affected, local in the issues it involved—my friends in this city would certainly not have asked me to join with them in their protest, neither should I ever have thought of coming here to take part in this meeting. But, gentlemen, everybody must now recognise that this matter, even if it ever was local in its scope at any stage, which I very much doubt, has now advanced far beyond that stage, and that issues of serious and far-reaching consequence have arisen in connection with it, which concern not only the inhabitants of this city, but the people of this Presidency and even India as a whole. The question now is not, who shall sit in the new Corporation on behalf of the Justices, but whether the enormous power which English officials necessarily wield in the country under the present system of administration, is to be employed to interfere with the freedom of popular elections, and to reduce still further the small measure of local self-government which has so far been conceded to the people; and whether the Government, instead of putting down such abuse of official position and influence, is to countenance it publicly. Last October His Excellency the Viceroy told the people of this country that, in his opinion, municipal and local boards' administration formed the initial rungs of the ladder of self-government, and that we must mount these suc-

cessfully before we expected to find ourselves on higher rungs. Those among us, therefore, who have the success of local self-government at heart, and who look forward to the time when a larger share in the government of the country shall be assigned to us, cannot remain indifferent when questions of the utmost importance, affecting the character and growth of local self-government in the land, are agitating the public mind, and a protest has to be made against wanton and unjustifiable encroachments on popular rights. It is thus as one interested in the steady progress of self-government in the country, that I stand on this platform here to-day, and I thank you once again for the honour you have done me by asking me to preside over this meeting.

Gentlemen, the speakers to the different resolutions will, I have no doubt, deal at length with the more important aspects of this unfortunate affair, and I will, with your indulgence, make a few observations of a somewhat general character before resuming my seat. The facts of the case are both simple and clear. Last year Mr. Harrison, Accountant-General of Bombay, and a prominent member of the Indian Civil Service, started a movement at the head of which he eventually placed himself, and with which he got the Commissioner of Police and the Collector of Bombay to identify themselves. The definite and avowed object of this movement was, not to ensure the return of the sixteen

best candidates available at the Justices' Election—for that would have been a different thing—but first and foremost to exclude Sir Pherozechah Mehta—not from the Corporation necessarily, that was impossible as long as there were men like my friend Mr. Dixit in our public life—but from the list of Justices' representatives; and, secondly, to extend the ban of exclusion even to those candidates for election who were not prepared to be parties to Sir Pherozechah's exclusion. What men were actually returned to the Corporation was a matter of small importance in the eyes of the Caucus so long as Sir Pherozechah was kept out and so long as no one who did not actively support his exclusion was allowed to come in. And thus the Caucus came to oppose even those old and tried counsellors who more often were found in the past to be ranged against Sir Pherozechah than on his side, simply because they could not so far forget what was due to his magnificent record of municipal work as to be parties to his proposed exclusion! Now, gentlemen, a movement so deliberately personal and engineered by high officers of Government is a serious matter, and I have tried my best to find out what justification has been urged by its promoters in its favour. The only reasons advanced in justification of the Caucus movement have been, first, that Sir Pherozechah had attained too great a predominance in the Corporation; and, secondly, that this predominance

was not always used in the best interests of the city. Now, as regards the first reason, I do not think that, taken by itself, it deserves any real value being attached to it. A man with the great, the transcendental abilities of Sir Pherozeshah Mehta, placing those abilities freely and unreservedly at the disposal of his city for nearly 40 years, is bound to attain a position of unrivalled predominance in any Corporation and in any country. That such a man should tower head and shoulders above his fellow-men after such a record, is only to be expected, and those who complain of this quarrel with the very elements of our human nature. Such predominance implies deep gratitude on the part of those to whose service a great career has been consecrated, joined to that profound confidence in the wisdom and judgment of the leader, which goes with such gratitude. Sir Pherozeshah's position in the Bombay Corporation is no doubt without a parallel in India, but there is a close parallel to it in the mighty influence exercised by Mr. Chamberlain at Birmingham, and is not dissimilar to the position occupied by Lord Palmerston for many years in Whig England, and later by the great Gladstone in the counsels of the Liberal party. As regards the second reason, if there was really anything in it, it would of course deserve more consideration. But what are the things charged against Sir Pherozeshah in this connection? As far as I have been able to ascertain, they are two in number—

one is, that when Lord Curzon returned to India a second time as Viceroy, Sir Pherozeshah imported Congress politics into the question about the Corporation presenting an address of welcome; and, secondly, that he got the Corporation to go back to Bombay Time after Standard Time had been adopted by that body. Now, admitting for the sake of argument all that the Caucus party has urged in these two matters, what are these little differences of opinion compared with the glorious record of Municipal work standing to Sir Pherozeshah's credit and extending over an unbroken period of 38 years? But, as a matter of fact, even in these two matters, Sir Pherozeshah's action has had the support and approval of an overwhelming majority of the citizens of Bombay. As regards the address to Lord Curzon, the responsibility for whatever unpleasantness was caused at the time in the matter, rested not on Sir Pherozeshah but on those gentlemen who, really from political motives, thrust that question on the Corporation. It was well known that widely divergent views were entertained about Lord Curzon's first administration. His re-appointment was only a technical matter, and in view of the intensity of feeling against him, the proposal to present a fresh address of welcome should never have been brought forward. When, however, it was brought forward, those who feared during the second Viceroyalty only an aggravation of the harm that had been done during the first, had no

choice left to them but to resist the proposal. It was no longer a question of a mere courteous greeting, such as the Corporation always offers to a new Viceroy on his first arrival in India. But even here, instead of opposing the proposal outright, Sir Pherozeshah, who is the one man among us who is anxious to meet the other side as far as possible half-way on every occasion, allowed his love of conciliation to carry him farther in the direction of compromise than those who generally worked with him cared to go. And eventually he even served on a Committee which was entrusted with the work of drafting the address. As regards the question of Standard Time and Bombay Time, if the Chamber of Commerce and the Port Trust could alter their resolutions under official pressure, I do not see why it should be such a crime for the Corporation also to change its resolution in accordance with popular feeling. This is a matter in which, as the Government of Sir James Fergusson had to admit after a year's struggle about twenty-five years ago, the wishes of the people of Bombay must be allowed to prevail. And, speaking in this Madhava Baug where a great meeting was held last year on the subject, it is not necessary for me to point out that Sir Pherozeshah's action in this matter has been in consonance with the wishes and the feelings of the vast population of this great city. It is interesting to note in this connection that Dr. Katrak, the

champion of Standard Time in the last Corporation, received but short shrift at the hands of the Caucus, in spite of his services to the cause of Standard Time, simply because he would be no party to Sir Pherozeshah's rejection by the Justices! But, gentlemen, it has been said that the three officers concerned in this affair acted in this matter in their private capacity only, and that they dealt with Sir Pherozeshah precisely as they would deal with any public leader in England. Surely, the absurdity of this contention is so obvious that it should not be necessary to waste many words on it. Will those who use this argument tell us what differences of principle in regard to Municipal administration or the interests of the city divide Mr. Harrison and his Caucus from Sir Pherozeshah and those who work with him, that these differences might be likened to those that distinguish Liberals from Conservatives in England? The only thing that is really obvious in this affair is the feeling of hostility to Sir Pherozeshah personally that has inspired the conduct of the promoters of the Caucus movement. It may be that members of the Civil Service cannot bear to be in a position of comparative insignificance in assemblies composed mainly of Indians and to see non-official Indians towering above them, for in the garden of bureaucracy there is no room for tall non-official poppies. But, if this should be so, the only proper course for these men is to with-

draw from these assemblies instead of using their official position and forming unjustifiable combinations to strike at the influence of towering individuals. When Mr. Harrison started the movement to oust Sir Pherozechah Mehta from the position held by him now for so many years, I wonder if he ever stopped to enquire if it was quite fair thus to deny to a man of Sir Pherozechah's abilities and seniority even the small scope for work that he possessed in the Corporation of Bombay. We have been told again and again that our Municipal and Local Bodies are intended to be a school for us for learning the art of self-government. Surely members of the Indian Civil Service, who have a monopoly of all administrative power in the country, need not grudge to Indians possessing ability and character not less high than their own, these small fields that alone have so far been thrown open to them. I wonder, also, if Mr. Harrison, before he thought of contesting the leadership of the Corporation with Sir Pherozechah, asked himself if he, or any other member of his Caucus or all of them put together, had rendered to the Corporation even a fraction of the great services which Sir Pherozechah Mehta has rendered during his long and distinguished career. However, I have no wish to dwell further on this aspect of the question. The argument that Mr. Harrison and the two other officers acted in this affair merely in their private capacity is one which, in

my opinion, is not entitled to any weight. How can men who have the power to make and unmake Justices of the Peace take sides in a hotly contested election, without letting this power interfere with the freedom of election of other Justices?

Just imagine the District Magistrate and the District Superintendent of Police forming a Caucus in the mofussil to manage Municipal or District Board elections and then quietly claiming that they had done this in their private capacity. The whole question is so important and the future course of local self-government so much bound up with it, that I trust it will receive earnest consideration at your hands to-day, and that we shall not rest in this matter till Government officers as a class are not only forbidden to form combinations, but also are themselves expressly disqualified for election at the hands of popular constituencies. One word more and I have done. Gentlemen, I feel bound to say—and I say it with regret—that the Bombay Government has not come well, at any rate so far, out of this affair. It will not do for the Government, Nelson-like, to put the glass to the blind eye and say that it knew nothing of what had been going on. The intense excitement caused by the activity of the Caucus, the extraordinary and unparalleled unanimity with which Indian papers of all shades of opinion were writing day after day and week after week, should have impressed on the Government the necessity of its

pulling up its officers promptly before harm had been irrevocably done. However, nothing was done to discourage the mischievous zeal of the Caucus, and when the day of election arrived, it was found that all officers of the Government, high and low—all, with the exception of the very highest, were there at the place of election to vote solid for the Caucus ticket, and to support the Caucus actively in other ways, and when three Additional Members of the Bombay Legislative Council wrote formally to the Bombay Government to represent the state of public feeling, and to request an open inquiry into what had taken place, offering to adduce evidence in support of their statements, an amazingly curt reply was sent to these gentlemen, as much as to say that their letter was an impertinence, and that the officials in the Government could not be expected to hear complaints against their brother officials in the Caucus. Further, the astounding plea was advanced that the wise and salutary prohibition against Government officers influencing popular elections applied to Legislative Council elections and not to Municipal elections. One would have thought that, after the fierce storms of indignation that swept over Bombay after the day of the election, the Government would have recognized better the necessity of a strictly impartial attitude on its part in all subsequent developments. But what are we to think of the appointment of Mr. Suleman Abdul Wahed as a nominee

of the Government on the new Corporation? This gentleman, who was practically coerced by the Caucus to join them, who had no wish of his own to come forward as a candidate, who was declared disqualified for membership in a Court of Law, is included by Government among its own nominees at the first opportunity. Well, all I can say is, that if the Government had wanted to confirm the unfortunate impression in the public mind that its sympathies were with the Caucus in this deplorable affair, it could not have taken a more effective step than this to do so. Gentlemen, I fear we have had enough indication of the attitude of the Bombay Government in this matter, and I think we are justified in not waiting further for redress at its hands. You are now going up to the Government of India, which, let us hope, will deal with the question in a spirit of greater regard for the requirements of justice and fair play, and with a higher sense of responsibility towards the freedom, purity and independence of popular elections. It may be that even here motives of official prestige may come in the way, as has so often happened in the past, of the right thing being done, or rather of the wrong thing being set right. But let us not anticipate evil unnecessarily. Things are bound to take their appointed course, and all we owe to ourselves in these matters is to strive our best according to our lights and our opportunities.

APPENDIX.
THE WELBY COMMISSION.

EVIDENCE-IN-CHIEF OF

PROFESSOR

GOPAL KRISHNA GOKHALE.

April 12th and 13th, 1897.

QUALIFICATIONS.

I am Honorary Secretary of the Deccan Sabha, an Association established in Poona for promoting under British rule the political interests of the Indian people. For seven years I was Honorary Secretary of the Poona Sarva-janik Sabha—another political Association in Poona of a similar character—and Honorary Editor of its Quarterly Journal, a magazine dealing principally with questions of Indian Finance and Indian Administration. I am, besides, a member of the Council of the Bombay Presidency Association, on whose behalf my friend, Mr. Wacha, has given evidence before this Commission. For four years I was one of the Secretaries of the Bombay Provincial Conference. I was also a Secretary of the Eleventh Indian National Congress which met in Poona in 1895. I was for four years one of the Editors of the *Sudharak*, or Reformer, an Anglo-Marathi weekly of Poona. Lastly, I belong to a body of men in Poona who have pledged twenty years of their life to the work of education, and am Professor of History and Political Economy in Fergusson College.

DIVISION OF EVIDENCE.

In accordance with the plan adopted by the Commission, I will divide my evidence into three portions—the Machinery of Control, the Progress of Expenditure, and the Apportionment of Charges between England and India.

MACHINERY OF CONTROL.

The question of the machinery of Constitutional Control is, in my opinion, a question of the highest importance. I may state, at the outset, that the position of India, so far as the administration and management of her expenditure is concerned, is somewhat exceptional. In the United Kingdom and the Colonies, public expenditure is administered under the control of the taxpayers, and, therefore, presumably solely in the interests of the taxpayers. In India, however, other interests are often deemed to be quite of equal importance, and sometimes, indeed, they are allowed to take precedence of the interests of the Indian people. Thus we have, first of all, the standing claims of the interests of British Supremacy, entailing a vast amount of expenditure, the benefit of which goes to others than the taxpayers of the country. The large European Army maintained on a war footing in time of peace, the practical monopoly of nearly all the higher offices in the Civil Services by Europeans, and the entire monopoly of such offices in the Native Army, illustrate what I mean. I do not deny that this supremacy in itself has been a great advantage to India, but what I mean is that the price exacted for this advantage is beyond all proportion too high. We next have the interests of the extension of British dominion in the East. Large sums have been from time to time spent in the past for this purpose out of the Indian Exchequer—in many instances in spite of the protests of the Indian Government—and if things continue as at present, this misapplication of India's money is not likely to stop. All expenditure incurred in connection with the Afghan and Burmese wars, the extension of the Northern and North-Western Frontiers and the utilisation of Indian troops for Imperial purposes, is expenditure of this description. Then there

are the interests of the European Civil and Military Services in India. The extravagant privileges conceded to Staff Corps officers in 1866 have, it is now admitted on all hands, imposed, and improperly imposed, a heavy charge on the Indian revenues. The re-organisation of the Public Works Department in 1885 may be cited as another illustration. The Finance Committee of 1886, appointed by Lord Dufferin's Government, consisting of men like Sir Charles Elliot, late Lieutenant-Governor of Bengal, Mr. Justice Cunningham, Sir W. W. Hunter, Mr. (now Sir James) Westland, Mr. Justice Ranade, and others, thus expressed themselves on this subject:—"The re-organisation of the (Public Works) Department was undertaken in consequence of an agitation on the part of European Civil Engineers employed in it, which was conducted in a manner likely, in our opinion, to have a bad effect on discipline, and, therefore, deserving of the disapproval of Government. It seems to us to have violated the orders of Government on the subject of combinations by its servants. Such an agitation would not have been permitted in any other Department, and should not again be allowed. The object of the re-organisation was to improve the position of the officers of the Department generally, and in particular to remove the block of promotion, which had arisen from the excessive number of recruits obtained from Cooper's Hill College in the earlier years of that Institution. During the continuance of the discussion, which we have summarised, great attention was given to the grievances of the officers of the Department, but a careful consideration of the whole subject leads us to doubt whether the measures sanctioned were altogether suitable either in kind or in respect of the classes to which they were applied. They mostly consisted of increments of pay to the Executives of the third and fourth grades, and to the Assistant Engineers of the first and second grades—none of which classes of officers were at the time, so far as we understand the case, in particular need of special assistance, and of the grant of greatly improved pensions to all officers of both classes; and they were made perpetual in their application." The concession made in

1890, to uncovenanted Civil Servants whose pensions were fixed in rupees, that these pensions should be converted into sterling, at the rate of 1s. 9d. to the rupee, and the grant of Exchange Compensation Allowance to all non-domiciled European and Eurasian Employés of Government indiscriminately, are more recent instances. I will return to all these cases later on. Lastly, the interests of British Commerce and of British commercial and moneyed classes often prevail over the interests of the Indian taxpayers. I might have mentioned the abolition of Import Duties during the administration of Lord Lytton and Lord Ripon, as also the Tariff Legislation of last year, as instances. But they do not come under expenditure, and may, therefore, possibly, be regarded as irrelevant. But the wasteful nature of many Railway Contracts; the extraordinary help given to the Orissa Company, the Madras Irrigation Company, and such other bodies of English investors; the vigour with which the construction of railways is being pushed on, programme following programme almost in breathless succession, in spite of the protest of the Finance Minister that the finances of the country now needed a respite in that direction; the conquest and annexation of Burmah, practically at the bidding of a powerful English trading Company—these are instances which are not open to the same objection. The frequent subordination of the interests of the Indian taxpayers to these other interests makes it all the more imperative that the machinery of constitutional control should provide adequate safeguards for a just and economical administration of the Indian expenditure, and yet, I fear, nowhere are the safeguards more illusory than in our case.

THE MACHINERY AS IT EXISTS AT PRESENT.

The spending authorities in the matter of Indian expenditure are:—the Local Governments, the Government of India, and the Secretary of State in Council (to which we must also add the Secretary of State in the Secret Department). The controlling authorities at present are:—the Government of India controlling the Provincial Governments, the Secretary of State in Council

controlling the Government of India (the Council sometimes tries to control the Secretary of State, but it is now much more dependent on him than it was once), and Parliament in theory controlling all. Now in the first place, all this is purely official control, unless, indeed, by a stretch of words, we regard the theoretical control of Parliament as to some extent popular. Real popular control, in the sense of control by taxpayers, is, practically speaking, entirely absent from the whole system. There are, no doubt, the Local and Supreme Legislative Councils in India. But so long as the Budgets are offered for criticism only and have not got to be passed, and so long as the members are not allowed to move any resolution in connection with them, they cannot be called controlling bodies in any proper sense of the expression. Secondly, I venture to think that even this official control, such as we have it, is, except in the case of Provincial Governments, of very little value from the taxpayer's point of view. The Local Governments are, indeed, controlled and more than controlled officially, are, in fact, crippled. But as regards the Government of India and the Secretary of State in Council, where they are in agreement, their powers of incurring increased expenditure are almost unlimited; and, unfortunately, they are generally found to be in accord in matters in which the Indian taxpayer feels a direct interest, their differences being usually about matters for which he cares little or nothing. Lastly, Section 55 of the Government of India Act of 1858 is supposed to give protection to Indian revenues against their application to extra-Indian purposes. But it is now well known how that Section has failed to attain its object in practice.

ITS REAL NATURE AND RESULTS.

The results of this state of things have been very unfortunate. Under the East India Company, our revenues were certainly much better protected. The Company's Government was, so to speak, a strong buffer between Indian interests and Imperial interests, and as Sir Charles Trevelyan has observed, it was often able to offer a successful resistance to the demands of the Queen's Government.

The inquiry which Parliament used to make into Indian affairs every twenty years in those days, and the spirit of jealous wakefulness which it used to manifest on those and other occasions, were a further protection to Indian interests. With the establishment of the direct administration of the Crown, all this is gone, and the administration of the Indian Revenues is now practically entrusted to a Cabinet Minister, assisted by a Council of his own nomination—a Minister who brings no special knowledge or experience of Indian affairs to the discharge of his duties, who, as a member of the Imperial Executive, naturally has an eye to Imperial politics rather than to Indian interests, and who is peculiarly liable to be swayed by the varying currents of English public opinion and other English influences. All financial power in regard to expenditure—executive, directive, and controlling—is centred in his hands, and with all this vast concentrated power, he has really no responsibility, except to the Cabinet of which he is a member, and of whose support he is always assured, and to Parliament, where he has a safe majority behind him in virtue of his position as a Cabinet Minister. The position virtually amounts to this, that it is the administration of the finances of one country by the Executive Government of another, under no sense of responsibility to those whose finances are so administered. And for years past we have been treated as a vassal dependency, bound to render services to the suzerain power, and to place our resources, whenever required, at its disposal. As a result millions upon millions have been spent on objects which have not advanced the welfare of the Indian people so much as by an inch—even the empty sense of glory, which is a kind of barren compensation to self-governing nations for such large expenditure of money, is not available to us as a consolation. And not only have these vast sums been thrown away in the past—thrown away, of course, from the Indian taxpayer's point of view—but as a direct result of that expenditure the country is now pledged to indefinite and possibly vaster liabilities in the future. And all this has gone on while the expenditure on objects which alone can secure the

true welfare and prosperity of the people has been woefully neglected. The principal defects in the existing arrangements to which, in my humble opinion, these deplorable results are to be traced, are two:—(1) Autocratic financial power practically concentrated in the hands of a member of the Imperial executive without adequate securities for its due exercise; and (2) the absence of effective protection to India against financial injustice at the hands of the Imperial Government, there being no impartial tribunal left to appeal to for redress of such wrong, and no constitutional power to resist unjust demands.

THE COUNCIL OF THE SECRETARY OF STATE.

When the Government of India was transferred from the Company to the Crown, the Secretary of State's Council was intended to be a check on him; and guarantees were provided for securing the independence of members. But these guarantees have, nearly all of them, been swept away by the Amending Acts of 1868 and 1876. Under the arrangements of 1858, the members of the Council were to hold their office during good behaviour, and were not removable except on an address of both Houses of Parliament. They were thus placed in a position of dignified independence to exercise the important powers of control entrusted to them under the Act. The Act of 1869, however, profoundly modified this position of the Council. It provided that all appointments to the Council were thereafter to be made by the Secretary of State. The members were to hold office for ten years only, and for special reasons to be communicated by the Secretary of State to Parliament they might be re-appointed. These modifications at once lowered the position of the members, destroyed the independence of the Council, and virtually left the Secretary of State supreme in the direction of affairs. The Council was, in fact, reduced to the status of a subordinate Consultative Board, to be composed of the nominees of the Secretary of State—stripped of its original dignity and independence, and left unfitted for the proper discharge of its high constitutional functions. The Act of 1876 empowered the Secretary of State to appoint three of the members.

for life, thus throwing additional power into his hands. Moreover, the machinery of the Secret Department enables the Secretary of State to order a course of action which may practically render large expenditure inevitable, without the knowledge of his Council.

THE GOVERNMENT OF INDIA AND THE FINANCE MINISTER.

Subject to the control of the Secretary of State, which often is only nominal, the Government of India can administer the Indian revenues practically as they please. The testimony of Sir A. Colvin, and Sir D. Barbour on this point is of great importance. Sir A. Colvin was careful to point out that the present weakness of the Finance Minister's position dates virtually from 1885. That being so, it is evident that the dissent of Lord Cromer as also of Lords Northbrook and Ripon, from their view, is beside the point. It is true that Lord Lansdowne and Lord Roberts do not endorse the view of the two Finance Ministers. But this was only to be expected, seeing that they themselves are the party against whom the complaint was directed. When Sir A. Colvin and Sir D. Barbour say that with the Viceroy on his side, the Finance Minister is as strong as he ought to be, and when they complain of the weakness of his position during their time, the only inference to be drawn from that is that the Viceroys under whom they served—*viz.*, Lords Dufferin and Lansdowne—were not of an economical turn of mind, and of course we cannot expect Lord Lansdowne to concur in that view.

SUMMING UP.

The whole position may thus be summed up:—

1. The buffer of the Company's Government, which fairly protected Indian interests, is gone, and there is no effectual substitute.
2. We have no effective constitutional safeguards against the misapplication of our revenues for extra-Indian requirements.
3. The control vested in the Council of the Secretary of State, under the Statute of 1858 is rendered almost nugatory by the alteration of its status under recent Amending Acts.

4. The control of Parliament, as against the Secretary of State, has become entirely nominal, owing to the latter being a member of the Imperial Executive, with a standing majority behind him. The old periodical inquiry by Parliament and its jealous watchfulness are gone. In fact we have at present all the disadvantages of Parliamentary Government without its advantages. In the case of all Departments except the Indian, ex-Ministers think it their duty, and also feel it to be their interest, to exercise the closest watch on the proceedings of their successors with a view to passing the most adverse criticism that may be possible. In regard to India alone, ex-Ministers vie with, and sometimes even go beyond their successors in extolling all that exists and all that is done. The responsible Opposition in this country thus abdicates its functions in the case of India only.

5. The Government of India, as at present constituted, cannot be much interested in economy. Almost all internal administration having been made over to Local Governments under the Decentralization Scheme, questions of foreign policy, large public works, and military questions absorb almost the whole attention of the Government of India. Further, the Finance Minister excepted, every other member of Council, including, since 1885, the Viceroy, has a direct interest in the increase of expenditure.

6. Neither in England nor in India is there the salutary check of public opinion on the financial administration. Parliament is ill-informed and even indifferent. And the Supreme and Local Legislative Councils are simply powerless to control expenditure, since the Budgets have not to be passed, and no resolutions in reference to them can be moved.

REMEDIES :—

1st.—Voting the Budget in the Supreme Legislative Council, official majority being retained.

Coming to the question of remedies, I think it is, in the first place, absolutely necessary that the Indian Budget should be passed, item by item, in the Viceregal Legislative Council. Government may retain their standing majority as at present, and

that means an absolute guarantee that no adverse vote will be carried against them. We have no wish to see the Government of India defeated on any point in the Supreme Legislative Council but the moral effect of recording, and, so to say, focussing by means of divisions, non-official disapproval of certain items of expenditure will, I expect, be very great. It must be remembered that while large questions of policy can be discussed and settled with advantage only in this country, the details of Indian expenditure can be criticised effectively and with the necessary amount of knowledge only in India. I would also provide that when a certain proportion of the non-official members of the Supreme Legislative Council—say, more than half—are of opinion that the voting of a particular sum by the Council is prejudicial to Indian interests, they may, if they please, draw up a statement of their case and submit it through the Government of India to a Committee of Control, which, I venture to suggest, should be created in this country.

2nd.—Creation of a Committee of Control. Non-official Members of Viceroy's Council may appeal to this body.

The creation of such a Committee of Control is a matter of the most vital importance. A Standing Committee of the House of Commons has been suggested, and would, I think, do very well. Or the Judicial Committee of the Privy Council might be entrusted with the work. Or even the Arbitration Committee, which now seems likely to be created, might do for this purpose, and the duty of reporting to Parliament from time to time on matters of Indian Finance may be assigned to it. But whatever the form, the Committee should have absolutely no powers of initiating expenditure, else, like the old so-called Board of Control, it will do more harm than good. The Committee should take cognizance of all appeals addressed to it by the non-official members of the Viceroy's Council, and may also call for papers of its own accord, and exercise general control over the administration of Indian expenditure. The proceedings should be reported to Parliament from time to time. If some such body were called into existence, the

mere fact that non-official members will be in a position to appeal to it, thereby putting the Government of India and the Secretary of State on their defence, will have a tremendous moral effect, which will make for economy and sound finance in a very striking manner. There is nothing in this which will in any way affect the directive and executive powers of the Secretary of State or the Government of India. The plan provides only for a reasonable amount of control, and will enable the representatives of Indian taxpayers, who have no powers of controlling expenditure, to make a complaint in a responsible and constitutional manner.

3rd.—Amendment of Section 55 of the Act of 1858.

Further I would suggest that Section 55 of the Government of India Act of 1858 be amended. This Section as it stands at present, enacts that "except for preventing or repelling actual invasion of Her Majesty's Indian possessions, or under other sudden and urgent necessity, the revenues of India shall not, without the consent of both Houses of Parliament, be applicable to defray the expenses of any military operation carried on beyond the external possessions of such frontiers by Her Majesty's forces charged upon such revenues." Now this only safeguards the controlling powers of Parliament, and does not provide, as is commonly believed, against the diversion of our monies from their legitimate use, the only thing secured being that the sanction of Parliament shall be obtained for such diversion—a sanction that can be obtained without any difficulty. Now this is not sufficient and has been of little use in practice, and I would press for an express and absolute statutory provision, giving us a complete guarantee against the misappropriation of our revenues for purposes unconnected with our interests. I, therefore, beg to suggest that Section 55 of the Government of India Act of 1858 be so amended as to provide that, except in case of actual or threatened invasion, the revenues of India shall not be used for military operations beyond the natural frontiers of India (these frontiers being once for all defined), unless, at any rate, a part of such expenditure is put on the English estimates.

4th.—Legislative Councils of Madras, Bombay, Bengal, N.-W. Provinces, Punjab & Burmah to return One Member each to the Imperial Parliament.

Further, I would urge that the elected members of the Legislative Councils of Madras, Bombay, Bengal, N.-W. Provinces, and now Punjab and Burmah, be invested with the power of returning to the Imperial Parliament one member for each Province. Six men in a House of 670 would introduce no disturbing factor, while the House will be in the position to ascertain Indian public opinion on the various questions coming up before it in a constitutional manner. I may mention that the small French and Portuguese Settlements in India already enjoy a similar privilege. Here, again, I rely more upon the moral effect of the course proposed than upon any actual results likely to be directly achieved.

5th.—Special knowledge of Finance to be a necessary qualification of the Viceroy.

The last suggestion that I have to make on this subject is that, as far as possible, Indian Viceroys should be selected from among men who have earned a distinct position for themselves for their grasp of intricate problems of finance. Among the First Ministers of England, no greater names can be mentioned than those of Walpole, Pitt, Peel, Disraeli, and Gladstone. And all these men were great Finance Ministers. I know men in the very front rank of English politics do not care to go to India, but all the same, if men noted for their knowledge of Finance, like Mr. Goschen, for instance, were induced to accept the Viceroyalty of India, the arrangement would produce decidedly beneficial results. It would be a great advantage to all if the Viceroy instead of being his own Minister for Foreign Affairs, were to be his own Finance Minister.

At any rate, his immediate connection with the Foreign Department should cease, the Department being placed like other Departments in charge of a separate member of the Executive Council.

PROVINCIAL FINANCE.

I now come to the very interesting and important subject of Provincial Finance. While gratefully acknowledging that the

Decentralisation Policy has done a great deal of good, even as far as it has gone, I think the time has come when an important further step ought to be taken. It is now fifteen years since this policy was carried to the point at which it now stands by the Government of Lord Ripon. The fact that nearly the whole internal administration of the country is in the hands of the Provincial Governments, explains why the people of India are so anxious to see the position of Provincial Governments in the matter of Finance strengthened much more than what it is at present. The expenditure administered by the Provincial Governments is principally devoted to objects which are intimately connected with the well-being of the people ; and the larger, therefore, this expenditure, the better for them. The chief effects of the existing arrangements are the following :—

1. The “so-called Provincial Contracts”—to use Sir James Westland’s expression—are really only one-sided arrangements practically forced on the weak Provincial Governments by the Government of India, which is all-powerful in the matter. The contracting parties not being on a footing of equality, the Government of India virtually gives the Provincial Governments such terms as secure the maximum advantage to itself, and the power which it possesses of disturbing the contracts even during the period of their currency leaves the Provincial Governments in a state of helplessness and insecurity, and all this is very prejudicial to the interests of the internal administration of the country. A reference to the tables given on pages 47 and 48 of Appendix, Section I. of the Evidence recorded by this Commission will at once show how at each successive revision the Government of India, while keeping to itself all the growth of revenue which had accrued to it as its share of the normal expansion, has in addition resumed a large portion of the share of growth that had accrued to the Provincial Governments compelling them thereby to cut down their expenditure in the first year or two of each new contract. Thus, taking Bombay as an illustration, we

find that in 1886-7, the last year of the Contract of 1882, its expenditure was Rs. 3,998,912. This expenditure had, however, to be reduced to Rs. 3,814,500 in 1887-8, the first year of the next contract, and it was not till 1891-2 that the level of 1886-7 was again reached, when at the next revision, it was again put back. The same is the case with almost every other Province. How sore is the feeling of Provincial Governments on this subject may best be seen from the following remarks which the Lieutenant-Governor of Bengal thought it his duty to make in the matter in the Supreme Legislative Council last year :—"I must say I deprecate the way in which these quinquennial revisions have too frequently been carried out. The Provincial sheep is summarily thrown on its back, close-clipped and shorn of its wool, and turned out to shiver till its fleece grows again. The normal history of a Provincial Contract is this—two years of screwing and saving and postponement of works, two years of resumed energy on a normal scale, and one year of dissipation of balances in the fear that if not spent they will be annexed by the Supreme Government, directly or indirectly, at the time of revision. Now all this is wrong, not to say, demoralizing. I say the Supreme Government ought not to shear too closely each quinquennium. It is as much interested in the continuity of work as the Local Governments, and ought to endeavour to secure this and avoid extreme bouleversements of the Provincial finances. . . . It would be an immense gain to Local Administrations if the Government of India could see its way to renewing the contracts with as little change as practicable on each occasion. It is only in this way that the element of fiscal certainty, which was put forward in 1870 as one of the main objects of decentralization, can be secured. Hitherto we have had but little of certainty." A similar protest was made last year by the Lieutenant-Governor of the N.-W. Provinces from his place in the Legislative Council of that Province, and this year the Government of Madras has addressed a very strong remonstrance against the surrender of an additional 24 lakhs of rupees a year demanded by the Supreme Government.

2. There is no fixed or intelligible principle on which these contracts are based—no uniformity in their plan, no equality in the burdens which they impose on the different Provinces. The share of Imperial expenditure which the different Provinces have to bear is not determined by any tests of population or revenue. A calculation made by Sir James Westland, and printed on page 400 of the second volume of the Finance Committee's Report, gives the following results:—

The proportions or percentages of revenue surrendered by each Province to the Supreme Government are as follows:—

| | Per cent. |
|----------------------------------|-----------|
| India Districts (General) | 26 |
| Central Provinces | 56 |
| Burmah | 58 |
| Assam | 51 |
| Bengal | 68 |
| N-W. Provinces | 76 |
| Punjab | 45 |
| Madras | 52 |
| Bombay | 46 |

The contribution of each Province per 100 of the population is as follows:—

| Province. | Rupees contributed per 100 of population. |
|--------------------------|--|
| | Rs. |
| Central Provinces | 71 |
| Burmah | 312 |
| Assam | 97 |
| Bengal | 107 |
| N-W. Provinces | 177 |
| Punjab | 82 |
| Madras | 123 |
| Bombay | 155 |

These figures are sufficient to show the totally arbitrary character of the present contracts. The fact is that these inequalities

are a legacy of the pre-decentralization period, when the expenditure of the different Provinces was determined—as men like Sir Charles Trevelyan, Sir John Strachey, General Chesney, and others have put it—not by the resources or requirements of those Provinces, but by the attention that their Governments succeeded in securing from the Central Government, *i.e.*, by the clamour that they made. And when the first step was taken in 1870 in the matter of decentralization, the level of expenditure that had been reached in the different Provinces was taken as the basis on which the contracts were made, and the inequalities that then existed were, so to say, stereotyped. I think it is high time that an effort was made gradually to rectify these inequalities.

3. The third defect of the existing scheme is that, while it operates as a check on the growth of Provincial expenditure, it imposes no similar restraint upon the spending propensities of the Government of India.

The only way by which these defects could be remedied was clearly pointed out by four members of Lord Dufferin's Finance Committee. They were the President, Sir Charles Elliot, late Lieutenant-Governor of Bengal, Sir William Hunter, Mr. Justice Cunningham, and Mr. Justice Ranade. In a note which they submitted to the Government of India on the subject, they made the following four proposals, and urged that their adoption would be attended by very beneficial results :—

(1) That there be no divided Departments, but that those Departments of receipts and expenditure which are now wholly, or almost wholly, Imperial, or which it may be found convenient to make Imperial, should be set on one side for Imperial purposes, and that the receipts and expenditure of the Provincialized Departments should be entirely Provincial.

(2) That whatever the sum be by which the Imperial expenditure exceeds the income from those sources of revenue which are not Provincialized, that sum should be declared the first charge on the Provincial revenues.

(3) That the Provincial surplus which arises from the excess of receipts over expenditure should be the fund from which, in the first place, all Imperial necessities should be met before any increase can take place in Provincial Expenditure.

(4) And that as regards the future growth of revenue it should, as far as possible, be divided equally between Provincial and Imperial, subject to the condition that if the Imperial exigencies ever required a larger share, the Imperial share should be increased.

Taking the accounts of 1884-5, Sir Charles Elliot and the other members thus illustrated the working of their scheme. They proposed that Opium, Salt, Customs, Tributes, Post-Office, Telegraph, Mint, Interest on Debt, Superannuation Receipts and Charges, The East Indian, Eastern Bengal, Guaranteed and Southern Mahratta Railways, Military Works, Army, Exchange and Home Charges should be wholly Imperial, and that the Government of India should also bear the charges and receive the revenues of the Imperial Districts, *i.e.*, the parts of India which are not included in the Provinces. On the other hand, they proposed that Land Revenue, Stamps, Excise, Assessed Taxes, Forests, Registration, and the Civil Departments should be wholly Provincial, such heads as Stationery, Printing, Miscellaneous, and Railways, Canals, and other Public Works, as were already Provincial continuing to remain so. The accounts of 1884-5, excluding Provincial Rates, were as follows:—

| | Imperial. | Provincial. | Total. |
|-----------------|----------------------------------|-------------|---------|
| | <i>(In thousands of Rupees.)</i> | | |
| Revenue ... | 50,3569 | 17,5537 | 67,9106 |
| Expenditure ... | 50,5066 | 17,4854 | 67,9920 |

These accounts, on the basis of readjustment suggested above, would have stood thus:—

| | Revenue. | Expenditure. | Surplus or Deficit. |
|----------------|----------------------------------|--------------|---------------------|
| | <i>(In thousands of Rupees.)</i> | | |
| Imperial ... | 32,6799 | 50,5365 | — 17,8566 |
| Provincial ... | 35,4307 | 17,6559 | 17,7748 |

This means that on the basis of division proposed, the Provinces would have to pay about $17\frac{3}{4}$ crores, *i.e.*, about fifty per cent. of the revenues made over to them to the Imperial Government to enable the revenue of the latter to come up to its expenditure.

This scheme, if adopted, would have the following advantages over the existing arrangements :—

- (a) It would remove all irritation at present felt by the Local Governments, and will secure to them, under ordinary circumstances, half the normal growth of revenues in their Provinces, enabling them thereby to make steady efforts towards the progressive improvement of the Internal Administration of the Country.
- (b) It is, of course, not possible to secure *at once* a complete equality in the burdens which the Imperial Expenditure imposes upon the different Provinces.

Provinces that contribute less than half their revenue to the Imperial Exchequer cannot be suddenly called upon to reduce their own expenditure, and pay their full share with a view to reducing the share of those that at present contribute more than half. Existing facts after all must be respected, and the present level of expenditure in the different provinces must be left untouched. But the effect of contributing to the Imperial Exchequer an equal portion of all future increase in revenue, *viz.*, 50 per cent., will be that, year by year, the relation which the contribution of a Province bears to its revenue, will tend more and more towards equalization. Thus the Provinces which now pay, say 60 per cent., of their revenue will, after paying only 50 per cent., of their increase for some years, be found to have dropped down to a ratio of 57 or 58 per cent. And similarly in the Provinces which pay less than 50 per cent. at present, the ratio will constantly work itself up to 50 per cent.

4. The proposed scheme, while making ample provision for the necessities of the Central Government, imposes, at the same time, something like a check on its spending propensities. It secures to that Government the entire normal growth of the Imperialised

items of revenue, and also half that of the Provincialised items and leaves to it besides the power to demand more than half in times of need. But it is expected that in ordinary years more than half the normal growth of Provincial revenues will not be devoted to non-Provincial purposes.

The adoption of the scheme will place the financial system of India once for all on a sound basis, and will bring it more in a line with the federal systems of finance in other countries, such as Germany, Switzerland, and even Canada, and the United States. In these countries, so far as I have been able to gather, the Central and Constituent Governments have their separate resources, but the latter are called upon in Germany and Switzerland, to make special contributions on extraordinary occasions.

I am confident that the Provincial Governments in India will welcome such a settlement of the question. Before concluding this portion of my evidence I may be permitted to remark that it would have been a matter of general advantage if representatives of Local Governments had come here to give evidence on this subject before the Commission.

PROGRESS OF EXPENDITURE.

Our Expenditure shows a large and continuous growth since the transfer of the Government of India from the Company to the Crown, and recent changes in the frontier policy have accelerated its pace in an alarming manner. Excluding railway receipts, the average expenditure for the five years preceding the Mutiny was about 30 crores. It now stands at over 73 crores, nearly $2\frac{1}{2}$ times what it was before the Mutiny.

Increase of Expenditure, taken by itself as a feature of national finance, is not necessarily open to any serious objection. Everything depends in this matter on the nature of the purposes for which the increase has been incurred and the results produced by such outlay of public money. In the United Kingdom, in France, in Italy—in fact, almost everywhere in Europe—there have been large increases in national expenditure during the last thirty years, but the increase in Indian expenditure during this time differs from

the increases elsewhere in a most fundamental respect. While increased expenditure in other countries, under proper popular control, has, so far as we are able to judge, helped to bring increased strength and security to the nations, and increased enlightenment and prosperity to the people, our continually growing expenditure has, in our opinion, under autocratic management, defective constitutional control, and the inherent defects of alien domination, only helped to bring about a constantly increasing exploitation of our resources, has retarded our material progress, weakened our natural defences, and burdened us with undefined and indefinite financial liabilities. Compelled to meet the demands of a forward Imperial Frontier policy and the exigencies of consequent Imperial defence, and constantly borrowing for commercial enterprises, often undertaken in consequence of the pressure of English commercial classes, our Indian Government has little money to spare, with all its increase of taxation, for purposes of national education. Nor has it been able, amidst constant embarrassments of the Military Budget, to forego some prospective land revenue by granting the boon of a permanent settlement to Provinces ripe and more than ripe for the concession under the conditions laid down in Sir Charles Wood's and Sir Stafford Northcote's despatches (1862 and 1867), nor again has it found itself, during all these years, in a position to carry out pressing administrative reforms, like the separation of Judicial and Executive functions.

It is this feature that marks the difference between the growing expenditure of British India and that of other countries, and constitutes our national grievance in respect of administration of our national expenditure. Whereas the capacity of the country to bear increased burdens is growing perceptibly less, our expenditure, under the existing conditions of administration, is rising higher and higher, necessitating a heavy incidence of taxation, exhausting all our fiscal reserves, and what is still more alarming, thrusting on our hands expanding responsibilities.

Under the Company's Government, things were on the whole managed with economy, and increase of taxation was, as far as

possible, avoided—a characteristic feature of our Pre-Mutiny Finance. The conquest of the country completed, the Company's Government entered in 1852-3 upon a career of administrative improvement and internal progress, and did much in both directions *without increase of public burdens*. And during the next five years, the fiscal system was reformed, the Police was re-organized, the Judicial and other Establishments were revised with largely extended employment of natives in some of the higher branches, and great activity was shown in regard to Public Works. Over two crores a year were spent on canals and roads and buildings, and arrangements were made with Railway Companies for the construction of the main trunk lines of railway communication. And yet, the expenditure was under 30 crores. Then came the Mutiny. It was a serious national disaster. It added 47 crores to our National Debt; and our permanent annual expenditure increased at one bound by about 9 crores, the Civil Charges going up from 11·7 crores to 15·8 crores, the Army from 12·7 crores to 14·9 crores, and Interest from 2·9 to 5·5. The cloud of distrust, suspicion, and prejudice then raised still hangs over the country, and casts its blighting shadow over, more or less, the whole of our Indian Finance. In respect of Military Expenditure—so, too, in regard to the extended employment of natives in the higher branches of the Civil and Military Services of the Crown--the effects of the Mutiny are still broadly visible.

I beg to be allowed to put in two statements here, which I think will be helpful in comprehending at a glance the progressive nature of our expenditure. The first statement gives figures of total expenditure *minus* railway receipts, figures of the exchange charges, and, lastly, figures of total expenditure *minus* railway receipts, and exchange for the last forty years. The second statement divides the period from 1862 to 1895, into three periods—the first from 1862-70, that of Centralized Finance; the second from 1871-81, that of partially Decentralized Finance, and the third from 1882-95, that of Decentralized Finance—and gives the salient facts connected with our expenditure during all these years.

Both these statements have been prepared from the annual Financial Statements.

STATEMENT I.

| Year. | Expenditure in Crores—Railway Receipts. | Exchange in Crores. | Expenditure—Railway Receipts and Exchange. |
|------------|---|---------------------|--|
| 1852-53 | 28-04 | ... | 28-040 |
| 1853-54 | 30-18 | ... | 30-180 |
| 1854-55 | 30-89 | ... | 30-890 |
| 1855-56 | 31-97 | ... | 31-970 |
| 1856-57 | 31-97 | ... | 31-970 |
| 1857-58 | 40-04 | ... | 40-040 |
| 1858-59 | 50-19 | ... | 50-190 |
| 1859-60 | 50-37 | ... | 50-370 |
| 1860-61 | 46-74 | ... | 46-740 |
| 1861-62 | 43-53 | ... | 43-530 |
| 1862-63 | 42-97 | ... | 42-970 |
| 1863-64 | 44-20 | ... | 44-200 |
| 1864-65 | 45-58 | ... | 45-580 |
| 1865-66 | 45-74 | ... | 45-740 |
| 1866-67 | 44-10 | ... | 44-100 |
| 11 months. | | | |
| 1867-68 | 49-06 | ... | 49-060 |
| 1868-69 | 51-30 | ... | 51-300 |
| 1869-70 | 50-12 | ... | 50-120 |
| 1870-71 | 49-39 | ... | 49-390 |
| 1871-72 | 49-16 | 433 | 48-727 |
| 1872-73 | 50-82 | 694 | 50-126 |
| 1873-74 | 54-66 | 882 | 53-778 |
| 1874-75 | 53-21 | 785 | 52-425 |
| 1875-76 | 52-64 | 1-355 | 51-285 |
| 1876-77 | 55-00 | 2-059 | 52-941 |

APPENDIX.

xxiii

| Year. | Expenditure in Crores—Railway Receipts. | Exchange in Crores. | Expenditure—Railway Receipts and Exchange. |
|---------|---|---------------------|--|
| 1877-78 | 57.22 | 1.554 | 55.666 |
| 1878-79 | 55.38 | 3.225 | 52.155 |
| 1879-80 | 60.27 | 2.926 | 57.344 |
| 1880-81 | 66.52 | 2.716 | 63.804 |
| 1881-82 | 58.81 | 3.556 | 55.254 |
| 1882-83 | 58.40 | 3.234 | 55.166 |
| 1883-84 | 57.56 | 3.434 | 54.126 |
| 1884-85 | 59.20 | 3.426 | 55.774 |
| 1885-86 | 63.58 | 3.23 | 60.350 |
| 1886-87 | 62.68 | 5.419 | 57.261 |
| 1887-88 | 66.25 | 6.466 | 59.784 |
| 1888-89 | 66.13 | 6.971 | 59.159 |
| 1889-90 | 65.87 | 6.663 | 59.207 |
| 1890-91 | 64.82 | 5.087 | 59.733 |
| 1891-92 | 68.74 | 6.937 | 61.803 |
| 1892-93 | 71.93 | 9.827 | 62.103 |
| 1893-94 | 71.82 | 10.285 | 61.535 |
| 1894-95 | 73.25 | 13.068 | 60.182 |

PERIODICAL AVERAGES.

| Year. | Without Exchange. | With Exchange. |
|-----------------|-------------------|----------------|
| 1852-53—1856-57 | 30.8 crores. | 30.8 crores. |
| 1857-58—1861-62 | 46.1 " | 46.1 " |
| 1862-63—1870-71 | 46.9 " | 46.9 " |
| 1871-72—1881-82 | 53.9 " | 55.8 " |
| 1882-83—1894-95 | 58.8 " | 65.4 " |

POST-MUTINY PERIOD OF INDIAN FINANCE.—DIVISION I. 1862-63—1870-71.

(CENTRALISED FINANCE.)

Elements of uncertainty during the period.

Fiscal Reserves.

- | | |
|--|---|
| 1. War Office demands. (British Force amalgamated. | 1. Balances. |
| 2. Necessity for famine protection. | 2. Taxation. |
| 3. Demands for Public Works. Pressure of the commercial classes. | 3. Curtailment of optional expenditure. Public Works, &c. |
| 4. Opium Revenue. | |
| 5. Railway Finance. | |

NOTEWORTHY FEATURES.

| REVENUE. | | FAMINES. | |
|---------------------------------------|-------------|--|----------------|
| 1862-63 ... | 45·1 | 1. Large Administrative improvements were required after the Mutiny—civil. | Cost in lakhs. |
| 1870-71 ... | 51·2 | 2. Provincial Administrations made increasing demands for varied local improvements, not being themselves responsible for funds. | 1,53 |
| Taxation during the period. | | 3. Public opinion in England urged measures for material progress (deemed neglected by the East India Company). | 72 |
| Certificate tax, 1863-69. | | 4. The commercial interests of England demanded improvements of communication and other public works. | |
| Income tax substituted, 1869-70. | | | |
| Raised. | | | |
| Salt tax raised in Madras and Bombay. | | | |
| EXPENDITURE. | | FRONTIER EXPEDITIONS. | |
| 1862-63 | 1870-71 | Sitanna, Bhotan, Lushai. | |
| Civil charges ... | 15·88 19·13 | Railway net loss to State. | |
| Army charges ... | 14·89 16·07 | | |
| Interest charge... | 5·47 5·8 | | |
| | | 1862-63 | 1870-71 |
| | | 1·6 | 1·9 |

| | | | | |
|---|-----------|---------------|---|--|
| Total expenditure, including other heads | ... 42.9 | 49.3 | HOME CHARGES. | 5. The recurrence of famines emphasized the obligation of the State as to protective works. |
| Increase | 6.4 | | Net expenditure. | (a) Private enterprise encouraged in all ways. |
| OUTLAY ON PUBLIC WORKS | | | 1862-63 1870-71 | (b) State agency since 1867 employed to co-operate. |
| DURING 1862-63—1870-71. | | | £4.9 millions £8.01 millions. | (100 crores in all spent on public works.) |
| Ordinary works | ... 52.66 | | Fresh War Office charges during the period. | 6. War Office measures in respect of the British Army imposed a net charge of £450,000 due to amalgamation and unequal military partnership. |
| Guaranteed Railways (from 48.8 in 1862-63 to 92.4). | 43.5 | | £451,000 (<i>vide</i> Govt. Desp., Nov. 21, 1884). | Total expenditure rose from 42.9—49.3. |
| State outlay on prod. | ... | 4.6 | Two Irrigation Companies formed and Port Canning—and other harbour improvement, reclamation companies, &c. (with Govt. support—direct or indirect). | Expanding demands for expenditure. |
| Public Works | ... | 100.7 | | (1) General administrative improvement. |
| NET DEFICIT during the period. | | | Opium Revenue. | (2) Public works—productive ordinary, protective. |
| Surplus. | 6.2 | 6.4—2 | 1862-63 1870-71. 1881-82 | (3) Provincial needs. |
| Debt | ... 96.8 | 1870-71 104.0 | 8.06 crores 8.04 crores 6.36 crores. | (4) War Office demands. |
| Increase, | 7.0. | | | 2 and 4 beyond the control of Government of India. |
| Balances | ... 23.1 | 20.1 | | Necessity for limitation of expanding demands. |
| Decrease, 3 crores. | | | | In respect of 3 Provincial Decentralization carried out 1870-71. |

POST-MUTINY PERIOD OF INDIAN FAMINE.—DIVISION II.

1871-2—1881-2.

(Partially Decentralized Finance).

Elements of uncertainty during the period.

Fiscal Reserves.

1. War Office demands.
2. Famine and Protective action.
3. Public Works—commercial demands.
4. Opium revenue.
5. Exchange.
6. Railway Finance.
7. Exigencies of Imperial policy in Central Asia.

1. Balances.
2. Taxation.
3. Curtailment of P. W. option expenditure.
4. Famine grant.

NOTEWORTHY FEATURES.

| REVENUE. | DEPT. | |
|--------------------------------------|-----------|---------|
| 1871-72 ... 50·1 | 1871-72 | 1881-82 |
| 1881-82 ... 62·91 | 106·9 | 156·8 |
| | Increase | 49·8 |
| Taxation— | | |
| Income-tax reduced, 1871-72. | BALANCES. | |
| Income-tax revised, 1872-3. | 24·8 | 17·14 |
| Provincial rates levied, 1873-4. | Decrease | 7·6 |
| Tariff revised and reduced, 1873-76. | Opium | |
| Excise duty raised. | 9·26 | 9·36 |
| Opium duty raised, 1877-78. | FAMINES. | |
| Licence tax, 1878-79. | | |

1. It was an abnormal period of war and famine.
2. English public opinion continuing to urge measures of material progress; yet Public Works Expenditure had to be reduced, which fell from 100 crores to 70 crores during the period.
3. The famines and the vast expenditure required led to the formation of a Famine Insurance Fund; yet the Fund diverted to war.

Cost in lakhs.

| | | | |
|--|----------------|---|--|
| New local rates, 1878-9. | 1873-74 | Bengal, North-West Provinces, Oudh. ... | 675 |
| Salt duty raised in Madras and Bombay, 1878-79. | 1876-71 | Madras, Bombay, North-West Provinces and Punjab | 1119 |
| Cotton duty remitted, 1878-79. | | | |
| Licence tax amended, 1878-79. | | | |
| EXPENDITURE. | 1871-72 | 1881-82 | |
| Civil charges ... | 186 | 192 | 17.94 |
| Army ... | 15.68 | 18.18 | |
| Exchange ... | .43 | 3.55 | |
| Total expenditure including other heads ... | 49.1 | 58.81 | |
| Increase 9.7, as against the previous period. | 6.4 of 1881-82 | ... | £7.7 millions net. £11.1 millions net. |
| OUTLAY ON PUBLIC WORKS DURING THE PERIOD. | | | |
| Buildings and roads, 1871-72 | 42.7 | 42.7 | |
| Total outlay on guaranteed Railways and State outlay on public works ... | 94.5 | 68.7 | |
| | 6.2 | 59.8 | |
| | 100.7 | 128.5 | |

4. Fresh War Office charges amounting to 48 lakhs, due to amalgamation, came upon the Indian Budget for increase of military efficiency.
5. What disturbed Indian Finance most was a change of policy on N.-W. Frontier. Imperial policy in Central Asia entered upon a new phase with Russia's conquest of Khiva. Afghanistan given up as a neutral zone, and the Amir promised material and moral aid against unprovoked foreign aggression, a change of policy which converted Afghanistan virtually into a British Frontier Protectorate. The line of the Indus given up as the Border line of British India. Indian Finance loaded with cost of schemes of Imperial territorial expansion in Central Asia, and a preponderance came to be given to military considerations in our financial arrangements. Here Indian interest was subordinated to the exigencies of Imperial policy.
6. Exchange difficulty increased.

| | | | |
|--|------|---------------------------------|--|
| (Excluding capital in railway annuities) | 27.7 | Net increase 948 crores. | Total expenditure increased by 9.7 crores. |
| total net outlay ... | 27.7 | Provincial contracts revised. | Expanding demands. |
| | | Gain to Imp. Revenue. ... | 1. General Administrative improvement. |
| | 70.4 | First contracts, 1871-72 ... | 2. Public Works—pressure of English commercial interests. |
| | | Contracts revised (1877-78) ... | 3. War Office demands—amalgamation. |
| | | Railway net loss. | 4. Treasury Office demands—central Asian Imperial policy. |
| | | 1871-72 1881-82 | 5. Exchange. |
| | | 1.7 2 | 2, 3, 4, and 5, all beyond the control of Government of India. |
| | | | 1. Further decentralization. |

POST-MUTINY PERIOD OF INDIAN FAMINE.—DIVISION III. 1881-2—1894-5.

(Finance Decentralized as at present).

Elements of uncertainty during the period.

1. War Office demands.

2. Military Expenditure.

3. Famine.

4. Public Works—commercial pressure as to

Railways.

5. Optium Revenue.

6. Exchange.

7. Railway Finance.

8. Imperial Policy in Asia—conquests and Frontier

protectorates.

Fiscal Reserves.

1. Balances.

2. Taxation.

3. Curtailment of Public Works optional Ex-

penditure.

4. Famine grant.

5. Contributions from Provincial Governments.

6. Periodical revision of Provincial contracts.

7. Transfer of Public Works from Revenue to

capital.

APPENDIX.

XXIX

| NOTEWORTHY FEATURES. | | 1. The period was a disturbed period of war, panic, and military precautionary measures and territorial annexations—costing us about 70 crores during it. | |
|---|-----------------|--|--|
| REVENUE | | 2. English public opinion pressing for material progress, the commercial interests demanding railway extensions, the local services clamouring for increased pay and promotion and exchange compensation. The strain on Indian Finance was severe. | |
| minus railway receipts. | | 3. Developments of Imperial policy in Asia involving us in large trans-frontier and other liabilities; Upper Burmah and other frontier provinces thrust on our hands for administrative development, which means vast future outlay. | |
| 1881-82 62.9 crores. | | Indian now in touch with the great powers of Asia is necessarily pledged to vast military expenditure. | |
| 1894-95 73.0 " | | INDIAN DEFENCE WEAKENED. | |
| TAXATION. | | Indian Finance at the mercy of military considerations. | |
| 1882-86 Import duties abolished, salt duty reduced and so too opium duty. | | Indian armies increased. | |
| 1886-87 Income-tax substituted for licence-tax. | | 4. Exchange difficulty enormously increased concurrently with a fall in opium. | |
| 1888-89 Petroleum duty imposed, salt duty raised. | | | |
| 1894-95 Customs duties. | | | |
| EXPENDITURE: | | | |
| Civil charges ... | 1881-82 1894-95 | | |
| Army ... | 19.26 25.55 | | |
| Exchange ... | 18.18 24.31 | | |
| | 3.5 13.0 | | |
| Total expenditure including other items | 58.81 75.25 | | |
| Increase 14.45 as against 9.7, 6.4 of preceding periods. | | | |
| OUTLAY ON PUBLIC WORKS. | | | |
| Ordinary Public Works ... | 75.36 | | |
| | 1881-82 1894-95 | | |
| FAMINES. | | | |
| Scarcities in Madras & Bombay. | | | |
| WAR AND CONQUEST. | | | |
| Upper Burmah. | | | |
| British Beluchistan. | | | |
| Gilgit Agency. | | | |
| Somali Coast. | | | |
| Afghan Protectorate, developed and confirmed, (Durand Treaty.) | | | |
| Expeditions beyond the Frontier. | | | |
| INCREASE OF INDIAN ARMIES. | | | |
| (1886-88.) | | | |
| An Imperial Reserve. | | | |
| HOME CHARGES NET EXPENDITURE. | | | |
| 1881-82 £ 11.1 millions | | | |
| 1894-95 £ 15.6 " | | | |
| PROVINCIAL RATES | | | |
| (Due to decentralization.) | | | |
| 1881-82 2.895 | | | |
| 1885-86 2.960 | | | |
| 1889-90 3.410 | | | |
| 1894-95 3.541 | | | |
| Increase '646 | | | |
| Provincial contracts revised. | | | |

Grant of exchange compensation allowance.
Total expenditure increased by 14.44 crores as against 9.7 and 6.4 of the previous periods.

Expanding demands :

- (1) Public works.
- (2) War Office demands.
- (3) Demands of Central Asian policy.
- (4) Exchange.

All beyond the control of the Government of India.

Taxation having reached its utmost limits, the enormous growth of expenditure during the period leaves us no fiscal reserve; yet elements of uncertainty and instability of Indian Finance have largely grown and the Government of India is compelled in the interests of financial solvency to be able to meet fluctuating and expanding uncontrollable demands to keep tight its hold on every fiscal resource, limiting the means of the provincial administrations on the one side and reserving its freedom of action in regard to Famine Grants, Productive Public Works expenditure and Provincial Contributions.

| Guaranteed | | Gain to Imperial Treasury. | |
|---------------------------------|-----------|----------------------------|---|
| Railways | ... 68.7 | 71.1 | nil |
| State outlay on | | 3rd | (1886-87) ... 640 |
| Public Works | ... 59.82 | 4th | (1892-93) ... 466 |
| | | PROVINCIAL CONTRIBUTIONS. | |
| | | 128.5 | 186.6 |
| Total net outlay | | 58.0 | 400 |
| (excluding capital in Railway | | | 1889-90 740 |
| Annunities = 30 | | | 1890-91 490 |
| millions) | | | 1894-95 405 |
| Frontier strategic railways ... | | 14.4 | Provincial contribution restored in 1882-83 670 |
| crores | | 14.4 | |
| | | 147.76 | |

| DEBT. | | RAILWAY NET LOSS. | |
|---------------|---------|-------------------|-------|
| 1881-82 | 1894-95 | 1881-82 | .2 |
| 156.8 | 218.3 | 1894-95 | 2.348 |
| Increase 61.5 | | | |

| OPIMUM REVENUE. | |
|-----------------|---------|
| 1881-82 | 1894-95 |
| 9.36 | 7.32 |

| BALANCES. | |
|---------------|---------|
| 1881-82 | 1894-95 |
| 17.14 | 25.2 |
| Increase 8.06 | |

APPENDIX.

xxx

IMPERIAL AND PROVINCIAL NET EXPENDITURE.

It is interesting to note how the growth of net expenditure has been divided between Imperial and Provincial since 1882, when Provincial finance was placed on its present basis. Putting together Tables 1 and 21 of Sir H. Waterfield, we have the following result:—

| Year. | Total Net. | Provincial Net. | Imperial Net. |
|-------------------------------------|------------------|--------------------|------------------|
| | In crores of Rs. | In crores of Rs. | In crores of Rs. |
| 1882-83 | 41.79 | 10.98 | 30.81 |
| 1883-84 | 41.66 | 10.83 | 30.83 |
| 1884-85 | 41.90 | 11.62 | 30.28 |
| 1885-86 | 45.43 | 12.27 | 33.16 |
| 1886-87 | 44.55 | 12.12 | |
| 1887-88 | 47.37 | 12.35 | 35.02 |
| 1888-89 | 46.44 | 12.52 | 33.92 |
| 1889-90 | 47.34 | 13.10 | 34.24 |
| 1890-91 | 45.66 | 12.64 | 33.02 |
| 1891-92 | 49.50 | 13.60 | 35.90 |
| 1892-93 | 52.43 | 13.40 | 39.03 |
| 1893-94 | 51.87 | 13.33 | 38.54 |
| 1894-95 | 52.74 | 13.13 | 39.61 |
| Increase in 1894-95 over 1882-83 | 10.95 | 2.15 | 8.80 |

It will be seen that while the expenditure of the internal administration of the country has been allowed to increase in thirteen years by only a little over two crores of rupees, the expenditure administered by the Government of India has increased during the time by nearly nine crores. It may also be added that during the three years of Lord Ripon's Viceroyalty which belong to this period, the net Imperial expenditure was not only not increasing, but actually showed a tendency to decrease.

MILITARY EXPENDITURE.

No student or critic of Indian Finance will fail to be struck by the position which Military charges occupy in the administration of Indian expenditure. It is, indeed, difficult to enter into a

thorough examination of this branch of our expenditure without raising a discussion about certain matters of policy which have been held to be outside the terms of this Commission's reference. My friends, Mr. Morgan-Brown and Mr. Wacha, have, however, already placed the views of the Indian people on some aspects of this subject before the Commission, and I have no wish to go over the same ground again. I will, therefore, content myself with a statement of certain additional facts connected with our military expenditure, leaving the Commission to draw its own conclusions from them.

Its strength (1894-95).

| | | | | |
|---|-----|-----|---------|---------|
| Standing Army | ... | ... | ... | 219,778 |
| British Troops | ... | ... | 73,119 | } |
| Miscellaneous British Officers | ... | ... | 921 | |
| Native Troops including British Officers | ... | ... | 145,738 | |
| Native Army Reserve | ... | ... | ... | 13,862 |
| Volunteers | ... | ... | ... | 29,089 |
| Total of armed strength on mobilisation— a strength even smaller than Japan commands, and about equal to that of Greece. | | | | 262,729 |

Its cost (1894-95).

| | | | | |
|-------------------------------------|-----|-----|-----|-------------|
| | | | | Rs. crores. |
| Ordinary expenditure | ... | ... | ... | 20.0 |
| Military works (ordinary) | ... | ... | ... | 1.1 |
| Total (ordinary) | | | | 21.1 |
| Special expenditure during the year | ... | ... | ... | .6 |
| Exchange | ... | ... | ... | 3.6 |
| | | | | 25.3 |

Ratio of ordinary military expenditure to total expenditure for the year $= \frac{25.3}{73.2} =$ nearly 35 per cent., thus comparing with what we have in other countries.

Millions £.

United Kingdom—Army Expenditure ... 17.8
— = 19 per cent.

| | | | | | |
|--------------------------------|-------------------|-----|-----|-------|----------------------------------|
| United Kingdom | Total | ... | ... | 91.3 | |
| France—Army Expenditure | | ... | ... | 25.9 | |
| | | | | | = 19 per cent. |
| " | Total | " | ... | 138.0 | |
| Italy—Army | | " | ... | 9.4 | |
| | | | | | = 13 " " |
| " | Total | " | ... | 72.4 | |
| Japan—Army | | " | ... | 2.6 | |
| | | | | | = 16 " " |
| " | Total | " | ... | 16.2 | |
| Greece—Army | | " | ... | .58 | |
| | | | | | = 13 " " |
| " | Total | " | ... | 4.2 | |
| British India—Army Expenditure | | " | ... | 25.4 | |
| | | | | | = 35 " " |
| " | Total | " | ... | 73.2 | |
| | | | | 21 | |
| | | | | | or omitting exchange — or 30 " " |
| | | | | 73 | |
| Russia—Army Expenditure | | ... | ... | 23.9 | |
| | | | | | = 21 p. cent. |
| " | Total Expenditure | ... | ... | 115.0 | nearly. |

The growth of our military expenditure, excluding all exceptional items—exchange, and even military works—has been as below:—

| Years. | Average Strength. | | | Average Expenditure in crores. |
|-------------------------------|-------------------|---------|---------|--------------------------------|
| | British. | Native. | Total. | |
| 1837-38—1856-57 (20 years) | 43,826 | 222,915 | 266,741 | 10.85 |
| 1861-62—1873-74 (13 years) | 62,458 | 123,881 | 186,340 | 15.68 |
| 1874-75—1880-81 (7 years) | 61,884 | 122,556 | 184,441 | 16.17 |
| 1881-82—1884-85 (4 years) | 57,975 | 119,939 | 177,714 | 16.55 |
| 1885-86—1894-95 (10 years) | 70,704 | 140,682 | 211,387 | 18.25 |
| 1894-95 | 74,040 | 145,738 | 219,778 | 20.1 |

Taking, according to Mr. Kellner's estimate, seven native soldiers as financially equal to three European soldiers, we may summarise the periodical expenditures on our Army thus:—

| Period. | Total Strength European Standard. | Total cost in crores. | Charge per combatant in rupees. |
|---------------|---|--------------------------|---------------------------------------|
| 1837-8—1856-7 | 139,383 | 10·85 | 778 |
| 1861-2—1873-4 | 115,550 | 15·68 | 1357 |
| 1874-5—1880-1 | 114,408 | 16·17 | 1413 |
| 1881-2—1884-5 | 109,291 | 16·55 | 1515 |
| 1885-6—1894-5 | 130,996 | 18·25 | 1393 |
| 1894-5 | 140,400 | 20·1 | 1430 |

During the twenty years preceding the Mutiny, a most eventful period of war and conquest, we had under the Company's rule an armed force about as strong as now, but maintained at nearly half the cost, the charge per combatant being Rs. 775. The Mutiny came, and the transfer of India to the Crown followed; Army Amalgamation was carried out, the staff corps formed, and other changes in Army organisation effected, and our military expenditure rose at a bound to 14·89 crores from 10·85, the average of the pre-mutiny period. It has gone on ever since steadily increasing till we come to the present year when it stands at full 20 crores exclusive of exchange, the strength being about the same as before the mutiny.

(A) Looking to the composition of the Army we have 74,040 British troops to 145,738 native troops, or almost exactly in the proportion of 1 to 2. During the twenty years preceding the mutiny the proportion of British to native troops was 1 to 5, and sometimes much lower. The outbreak of 1857 followed; a Royal Commission inquired into the matter in 1859, and in its report submitted the following recommendation to Her Majesty:—"As regards the third question, the proportion which European should bear to Native Corps in Cavalry, Infantry and Artillery respectively, Your Majesty's Commissioners are of opinion that the amount of native

force should not, *under present circumstances*, bear a greater proportion to the European, in Cavalry and Infantry, than 2 to 1 for Bengal, and 3 to 1 for Madras and Bombay respectively." The proportions thus laid down were recommended in view of the circumstances of the disturbed period, and were not absolute, precluding all future modification as things should change. The present organization, however, practically rests on that recommendation, the proportion being as a whole as 2 to 1—the differential proportions recommended for Bombay and Madras being ignored.

Taking the recommendations of the Royal Commission, and looking to the local distribution of the armies, we have:—

| Native troops. | British troops. | Excess of British troops over the accepted standard. |
|---------------------------------|-----------------|--|
| Bengal ($\frac{1}{2}$) 84,614 | 46,379 | 4,072 |
| Madras ($\frac{1}{3}$) 32,306 | 14,195 | 7,266 |
| Bombay ($\frac{1}{3}$) 28,878 | 13,466 | |
| | | 11,338 |

This is the amount of excess British Force over the accepted standard we have in the country, and I submit that there is nothing in the present condition of things to justify such a large departure from the recommendations of the Commission; things admittedly have changed for the better, and with our increasing appreciation of British rule, and growing attachment to Her Majesty's throne, we should have expected the proportions to be modified the other way. As it is, we have on our hands a force of more than 11,000 British troops and taking the cost per European combatant at Rs. 1,413 a year, we see this excess force burdens our military Budget with a needless $1\frac{1}{2}$ crores (or more exactly Rs. 1,57,30,000). $1\frac{1}{2}$ crores a year is rather too heavy a charge for a poor country to bear unnecessarily.

(B) The strength of our existing Army is, further, in excess, by the recent increases of 30,000 troops, of the military needs of the country, as laid down by the Army Commission of 1879, who even

contemplated among other things, in framing their estimate of our requirements, "the contingency of operations beyond the Frontier, not merely against Russia with Afghanistan as our ally, but against Russia assisted by Afghanistan," and, as Mr. Ilbert and Sir A Colvin in their dissent point out, no circumstances have arisen which necessitated these augmentations.

(C) But again the existing organisation of our Army is so faulty that it imposes a needlessly grievous burden on the Indian Exchequer. Our army is always practically on a war footing; we have no peace establishment proper; and the strength we could mobilize in an emergency is—including volunteers and reserves—not more than 252,719 men all told. And it is for such meagre armed strength that we have to spend under the present vicious system 25 crores and more a year. While most countries in Europe have adopted short service and the system of reserves—a system which gives them a maximum of combatant strength at a minimum of cost, India alone has to keep up her armies on a war footing even in time of peace, and has to pay a heavy penalty—getting no commensurate return for the money she spends. In these days the armed strength of a nation is measured, as stated by Lord Wolseley, not by the number of men under arms in its standing Army, but by the total number of trained soldiers it could put together for active service—when needed—service with the colours being but a course of training for the recruits, much more than active preparedness for war; and in an emergency the reserves being relied upon as the first line of national defence. While the United Kingdom spends about eighteen millions on her army, and has a total armed strength of 588,785 men, France about twenty-six millions, and has an active army of 572,102, with reserves numbering 1,778,000 or a total of 2,350,000, Germany spends twenty-seven millions, and maintains an active army of 562,014, and can mobilize in time of war, with her splendid reserves, a total force of 3,000,000, and Japan, an oriental country which has so successfully copied the European system, spends two and a-half millions on her armies, keeping up a

standing force of 37,719 and is able to mobilize a force of 269,748, British India, though she spends even more than the United Kingdom itself on her armies (25 crores), has but a standing force of 219,778, and with the reserves and volunteers, of 252,729, showing a strength even smaller than that of Japan, and scarcely $\frac{1}{10}$ of Germany.

England adopted Short Service in 1871-72, but did not extend the benefit to the Indian Army. How wasteful our existing system is, may be more clearly seen, when we find that we have had to add three crores to our military Budget to increase our armed force by 30,000 troops.

(D) Taking the two component parts of the Indian Army:—

(a) BRITISH TROOPS.

(1) Here we pay for Short Service, but the advantage of the system goes all to England. The peculiar merit of the system is that it gives a large reserve. Our English reserve is in England, and is not always available to us. Hence the British troops in India are all placed on a war footing.

In respect of the recent increase, the argument strongly urged was that we could not always depend on England for re-inforcements—possibly least when we should need them most. Though the Indian revenues contribute so largely to the maintenance of the Army reserve in England, we could not always count upon getting the British troops augmented in India when we should have to take the field on a large scale.

(2) We have yet the peculiar disadvantage of Short Service—a paucity of seasoned soldiers in the standing force. Lord Wolseley has told us that men of under two or two and a-half years' service are seldom sent on active service, and whenever mobilization takes place for field service in European countries, it is the reserves that are largely drawn upon. As we have no reserve in India, we pay for a force which is not all available for field duty.

(3) We have, further, to pay for a higher standard of efficiency than is needed. In any country the efficiency of its army is always proportioned to its requirements, and is dependent on military

conditions of offence and defence which exist. In India we have not the same military conditions with which England has to deal in Europe; we have not here in Asia gigantic military camps such as there are in Europe, and yet, under the amalgamation carried out after the Mutiny, we have to pay our share in full, calculated too on an arithmetical basis, for the maintenance of a standard of military efficiency which English—not Indian—conditions render necessary.

(b) THE NATIVE ARMY.

Our Native Army, though theoretically a long service army, is practically in the main a short service one. Under the regulations a man can claim his discharge after three years' service, and it is calculated that as many as 80,000 trained native soldiers return to their homes in ten years' time. The Army Commission of 1879 proposed the formation of reserves in order to retain a portion of these 80,000 men bound to the obligations of service, and also in the hope that the reserves so formed in time of peace might "enable the Government to reduce the peace strength of the Native Army," and expressed their view that such a restricted reserve system could cause no political danger to the country. The proposed reserves were calculated to absorb 58,200 men out of the 80,000 retiring from the Army every ten years.

The formation of such reserves to the Native Army was decided on in 1885-6, and Lord Dufferin's Government proposed to begin with two kinds of reserves—regimental and territorial; of which the latter system was evidently the more suitable of the two, and could have succeeded better. But the Secretary of State vetoed the proposal as far as it related to the formation of territorial reserves, apprehensive of the political and military dangers of such step, and sanctioned only regimental reserves. Accordingly we have now the feeble and straggling reserve that there is, numbering about 14,000.

Of course, as far as it goes, it is a step in the right direction, however halting, and a strong effort ought to be made to organise on a sound basis a large effective reserve to the Native Army, so

as to permit of reduction in its strength which, while increasing the total armed strength of the country, would bring material relief to the finances of the country. The wasteful costliness of the existing system is obvious.

(E) We next come to the officering of the Native Army. Before the Mutiny there were two classes of native regiments, "regular and irregular." In the regular regiments, the nominal staff of British officers was 25 strong, of whom about 12 were actually present, the rest employed in civil and other departments. In the irregular regiments, there were only 3 British officers, the rest of the staff being entirely native. When the armies were reconstructed after the Mutiny in 1861, the irregular system was adopted throughout the Native Army—first in Bengal and later in Madras and Bombay—with the change that the number of British officers per regiment was increased from 3 to 7. In 1874-5 the strength of English officers was increased by the addition of 2 probationers to each corps. In 1882-3 one more officer was added to the cadre; so that now we have 8 British officers in each regiment, ousting the Native officers virtually from the entire field of higher regimental command. Before the Mutiny, and in the irregular regiments, the British officers commanded wings and squadrons, leaving the command of the troops and companies to Native officers. Since the transfer and the reconstruction of the armies, the field of employment for Native officers has steadily contracted, and they have not now even the command of troops and companies, and hold a lower status in the Army. In their place a costly European agency has been put in, thereby imposing a great burden on the finances.

Even in the lower positions, the number of Native officers has sensibly fallen off during the past twenty years. In 1876-7 the number of these officers was 2,812, in 1895-6 it is 2,759, a decrease of 53 officers, though the strength of the Army has risen during the period from 120,672 to 141,257 (*i.e.*, 20,000). On the other hand, the number of British officers shows an increase of 149 officers (from 1,431 to 1,580).

(F) Lastly, we come to a feature of the existing army organisation—the most wasteful of all. The Indian Staff Corps System—(a corps of officers intended for the Native Army as well as for civil employ in the political, police, survey, and other departments, and in the Frontier and non-regulation provinces).

When the amalgamation was carried out in 1861, there was a complete change in the system of officering the Native Army. The old supply from British regiments was stopped, and a staff corps was established in each presidency for the purpose. All officers of the Army, except those who declined, were transferred to the new corps. The promotion in the new corps was entirely by length of service, not by succession to a vacancy, so that lieutenants became captains, and captains majors, and so on, though the promotions were not needed for the work of the Army. The system is still in force, which is as under:—Ensigns on transfer to the corps to become *Lieutenants*; Lieutenants, after eleven years' service, to be *Captains*; after twenty years' service to be *Majors*, and after twenty-six years' service to be *Lieutenant Colonels*.

Further privileges were in 1866 conceded to the staff corps. Previous to that year a certain number of Lieutenant Colonels succeeded, on vacancies occurring, to Colonels' allowances. These carried with them an extra pension of £ 664 a year. In 1866 the Secretary of State allowed all officers then in the staff corps, and all who might join, to succeed to Colonels' allowances after twelve years' service in the grade of Lieutenant-Colonel without reference to any fixed establishment of Colonels with Colonel's allowance. Thus, every officer could in future rely on getting Colonel's allowance if he lived and clung to the service till he had served thirty-eight years. The general result of this extraordinary system of promotions and pensions has been that the upper ranks of the service are filled with officers for whom there is no work.

The Colonels' allowances, previous to 1886, were granted only to a certain number on ground of special merit, at the rate of 1 to 30 officers. Since then, it has been indiscriminately allowed to all,

and we have now 501 officers in receipt of Colonels' allowances on a staff corps of 2,826 strong, *i.e.*, more than 1 in 6 officers.

The grant of such allowances is now placed under new conditions, but the heavy burden on the exchequer, due to the measures of the past, taken in the interest of the officers, grows heavier every year. The old system of promotion is still in force, regulated not in accordance with the needs of the services, but in the interest of the officers, as if the Army was for the officers, and not the officers for the Army.

The whole question regarding the constitution, terms of service, rates of pay and pension, in regard to this costly and privileged corps, requires to be carefully examined. As it is, the whole system rests on an unsound basis, the corps is over-numerous, and drawing privileged rates of pay and pension, inflicting a heavy burden on the national exchequer.

THE SERVICES.

In every department of Indian expenditure the question of agency is one of paramount importance. According to a Parliamentary return of May, 1892, we have in India, in the higher branches of the Civil and Military Departments, a total of 2,388 officers, drawing Rs. 10,000 a year and upwards, of whom only 60 are natives of India, and even these, with the exception of such as are Judges, stop at a comparatively lower level. And they are thus divided :—

| | Natives. | Eurasians. | Europeans. | Total Salaries of Natives. | Total Salaries of Eurasians. | Total Salaries of Europeans. |
|--------------------------|-------------------------|------------|------------|----------------------------|------------------------------|------------------------------|
| | In thousands of rupees. | | | | | |
| Civil Department | 55 | 10 | 1,211 | 9,47 | 1,51 | 2,52,74 |
| Military | 1 | 1 | 854 | 12 | 11 | 1,32,68 |
| Public Works Dep. | 3 | 4 | 239 | 33 | 45 | 34,15 |
| Incorporated Local Funds | 1 | | 9 | 10 | | 1,13 |
| Total ... | 60 | 15 | 2,313 | 10,02 | 2,07 | 4,20,70 |

In addition to these, the Railway Companies employ 105 officers, drawing Rs. 10,000 a year and more. They are all Europeans, and their total salaries come to 16 lakhs, 28,000 rupees.

If we come down to officers drawing between Rs. 5,000 and Rs. 10,000 a year, we find that we have 421 natives in the Civil Department, as against 1,207 Europeans and 96 Eurasians. In the Military Department there are 25 Natives, as against 1,699 Europeans and 22 Eurasians. In the P.W. Department there are 85 Natives, as against 549 Europeans and 39 Eurasians. And in the Incorporated Local Funds there are four Natives, as against 22 Europeans and three Eurasians. The total salaries of officers of this class are thus divided :—Civil Department—Natives, 29,05 thousand; Eurasians, 6,50 thousand; and Europeans, 88,30 thousand. In the Military Department—Natives, 1,64 thousand; Eurasians, 1,39 thousand. and Europeans, 1,36,98 thousand. In the P.W. Department—Natives, 5,37 thousand; Eurasians, 2,78 thousand; and Europeans, 39,62 thousand; and in the Incorporated Local Funds—Natives, 25,000; Eurasians, 17,000; and Europeans, 1,46 thousand. In addition to these, there are under the Railway Companies 258 officers of this class, of whom only two are Natives, eight being Eurasians and 248 Europeans. Their salaries are thus divided ;—Natives, 12 thousand; Eurasians, 50 thousand; and Europeans 17 lakhs 10 thousand.

In England £125,360 is paid as salaries by the Indian Government, and £ 54,522 by Railway Companies, all to Europeans.

The financial loss entailed by this practical monopoly by Europeans of the higher branches of the Services in India is not represented by salaries only. There are, besides, heavy pension and furlough charges, more than $3\frac{1}{2}$ million sterling being paid to Europeans in England for the purpose in 1890.

The excessive costliness of the foreign agency is not, however, its only evil. There is a moral evil which, if anything, is even greater. A kind of dwarfing or stunting of the Indian race is going on under the present system. We must live all the days of our life in an atmosphere of inferiority, and the tallest of us must

bend, in order that the exigencies of the existing system may be satisfied. The upward impulse, if I may use such an expression, which every school boy at Eton or Harrow may feel, that he may one day be a Gladstone, a Nelson or a Wellington, and which may draw forth the best efforts of which he is capable, is denied to us. The full height to which our manhood is capable of rising can never be reached by us under the present system. The moral elevation which every self-governing people feel cannot be felt by us. Our administration and military talents must gradually disappear, owing to sheer disuse, till at last our lot, as hewers of wood and drawers of water in our own country, is stereotyped.

The Indian Civil Service is nearly 1,100 strong. Under the rules of 1879, since abolished, we were entitled to one-sixth of the whole recruitment, and in course of time we should have had about 180 Natives in the Indian Civil Service. The Public Service Commission, appointed by Lord Dufferin, proposed the abolition of those rules, and recommended that 108 posts usually held by Covenanted Civil Servants should be set aside for Indians. The Government of India and the Secretary of State thought this recommendation too liberal, and ultimately decided to throw open only 93 such posts to which the Natives of India may be appointed, after certain existing claims were satisfied.

That these higher posts are guarded with extreme jealousy as practically a close preserve may be clearly seen from the following illustration. Mr. Jacob gives in Appendix 16 of Section 11. the total number of District and Sessions Judges in India as 126. Out of these only five are Natives. Now the capacity of Natives for the efficient discharge of judicial duties has been over and over again recognised, and the Public Service Commission expressly recommended that one-third of all District and Sessions Judgeships should be given to Natives, which meant 42 out of 126. Instead of this 42, however, we have at the present day only five Native District and Sessions Judges.

So, again, in the Police. Out of 230 District Superintendents only three are Natives. Only five Natives qualified to do the work

of District and Sessions Judges, and only three for the work of Police Superintendents, in all India, after close on a century of British rule!

The same is the case with the Forest, Accounts, Opium, Mint, Scientific and other Departments.

In the Public Works Department, we have a total strength of 800 engineers, of whom only 96 are natives. The Indian Civil Engineering Colleges have been working for years, and yet not more than 96 of their trained graduates are to be found in the higher branches of the engineering service. In this connection I may mention that the Finance Committee of 1886 recommended that the connection of the Indian Government with the Cooper's Hill College be terminated as soon as possible, and that there be a larger recruitment of students of Indian Colleges. This recommendation, however, was not accepted by the Government of India.

I may also be permitted to make one or two general observations here on this Public Works Department. This Department has been for a long time over-manned, and Lord Dufferin's Finance Committee thought it necessary to pass some severe criticism on the point. The sanctioned strength is 760. The actual strength in 1884-5 was 898, in 1893 it was 857, and now it is about 800, which is still 40 in excess of the sanctioned strength. Ever since the expansion of the Department in 1860—and notably from 1868 to 1875—we have had the superior staff arranged less with reference to the work to be done than to the condition of things as regards the position of officers. There has frequently been hasty and irregular recruitment during the periods of expansion, followed by blocks in promotion, requiring in their turn corrective efforts in the shape of special allowances or better pay and pensions, not founded on a consideration of the Executive needs of the Department. And more than once officers have been specially induced to retire from the service on very favourable conditions as to pensions to reduce the redundancy of officers.

The Finance Committee of 1886 recommended that Royal Engineers in the Indian Army should be put on the Civil Staff, remark-

ing that "it is necessary to maintain a considerable establishment of Royal Engineers in India for military requirements. . . Such of them as are not needed for purely military duty in time of peace can be best employed in the Public Works Department, and should, in our opinion, have the first claim for employment in that Department in preference to all others," and the Committee suggested that the Military Works Branch of the Department should be abolished as a separate branch for the Military Works and amalgamated with the General Department. The suggestion as to the abolition of the Military Works branch has not been carried out, and only 70 Royal Engineers from a total of 273 are at present on the Civil Staff, the greater number of the remaining 200 or so doing little or no work. It may be added that these suggestions of the Finance Committee had the full approval of the then Commander-in-Chief.

EXCHANGE COMPENSATION ALLOWANCE.

This allowance was granted to all non-domiciled European and Eurasian employes about the middle of 1893, and the figures for the last three years have been as follows :—

| Year. | Amount in Rs. |
|---------|---------------|
| 1893-94 | 618,468 |
| 1894-95 | 1,239,275 |
| 1895-96 | 1,327,632 |

The allowance consists in converting half the salary of each officer into sterling at the rate of 1 s. Gd., subject to the maximum of £ 1,000, and then converting it back again into rupees at the current rate of exchange. Practically it has amounted to a general increase of salaries. Now, in the first place, it is admitted that these employes of Government had no legal claim to the compensation. The pay of the European soldier in India is fixed in sterling, and the Government have now to make to him a much larger rupee payment than before. Nobody, however, has ever suggested that this rupee payment should be reduced. If anyone had made the suggestion, he would have been told that the soldier was entitled to it. The guaranteed companies are now getting 5 per cent. on their

capital, though they do not earn so much, and though Government can to-day borrow at the rate of $2\frac{1}{2}$ per cent. If anyone were to say that 5 per cent. is too high now to pay, and that the companies should be asked to be satisfied with less, he would be told a contract is a contract. My point in giving these illustrations is this— if existing contracts are not to be disturbed in favour of the Indian Exchequer why should they be disturbed against it ?

Secondly, if the European employees of Government suffered from the fall in exchange, Government itself, as representing the taxpayers, suffered much more from the same cause. When such a general misfortune had overtaken all classes, to single out a particular class for special relief by imposing additional burdens on the remaining classes, and these not will able to bear them, was entirely unjust.

Thirdly, though it is quite true that the fall in exchange had considerably lowered the gold value of the rupee salaries, the salaries themselves were so excessively high, considering especially the great change that has taken place in the facilities and means of communication between England and India, that even with the fall in exchange they were very high. I think it will be admitted that non-official Anglo-Indian testimony on this point is very valuable. The Bombay Chamber of Commerce is recognised to be one of the foremost and most important representatives of the English Mercantile Community in India. This Chamber, in writing to the Finance Committee on the subject of reduction of expenditure in 1886, thus wrote on the subject of salaries paid to Englishmen in India :— “ The question of the salaries paid by Government to its servants is one on which the Chamber holds very decided views. The just apportionment of remuneration to the exact quality and quantity of work done may, from the standpoint of individual cases, call for very nice discrimination and intimate knowledge of the circumstances surrounding each appointment ; but the Chamber, having many amongst its members in a position to form a true estimate of the standard of pay necessary, at the present day of widespread education and keen and increasing competition among the members

of the middle classes for responsible employment, to ensure the attainments required from civil servants, covenanted and uncovenanted, does not hesitate to say that the entire scale of remuneration, but more especially of the senior classes, is pitched at too high a level. At the time existing rates were settled, not only did the requisite educational acquirements command a higher premium than they do now, but there were other considerations calling for momentary compensation. In former days an Indian career practically entailed expatriation; officials frequently lived very solitary lives, were exposed to exceptional temptations, and exercised great responsibility. In later years these conditions have been greatly mitigated, and in some cases thoroughly reversed. Communication with England is constant and rapid, life in India is healthier and attended with more comfort and less expense, whilst control is so centralised that responsibility is in a great measure taken out of the hands of the officials, except of the highest ranks. Under these circumstances, a revision of all salaries, but particularly those above, say, Rs. 1,000 per month, is manifestly justifiable and called for. In all recent discussions on this subject, the decline in sterling exchange has been urged as a strong argument for non-reduction; but in the view of this Chamber that is a matter which Government should not take into account. What it has to look to is purely the amount it must pay under all existing conditions and circumstances, in order to secure the necessary qualified labour in this country, leaving individuals themselves to provide for the wants of their families in Europe, and their own requirements for leave. The Chamber, in fact, would go even further than this, and advocate that, under the new rules for future contracts, all civil pensions and retiring allowances should be paid in the currency of the country. India is no longer a *terra incognita* to the educated classes of England, and even under the comparatively less tempting inducements indicated above, the Chamber feels convinced that there would be no lack of suitable men ready and anxious to recruit the ranks of the service. This naturally leads to the consideration of the economy practicable by a larger employment of

natives. Much might, doubtless, be saved in this way, particularly in connection with the Judicial Departments, where the opening for efficient native agency seems widest; but the Chamber is not prepared to formulate, nor possibly your Committee to discuss, a settled scheme for the entrance of natives into the covenanted and uncovenanted services. All I am instructed to lay stress upon in that direction is that, when Government decide on the competence of natives to hold certain posts, due allowance should be made in fixing their pay for the proportionate cost of living and expenditure between them and Europeans of a like grade."

Fourthly, assuming that some relief was needed, it was most unfair to give the allowance to all. I mean men who went out to India after the rupee had fallen below 1s. 4d., *i.e.*, who accepted the rupee salaries with their eyes open, as also those who had no remittances to make to England—these, at any rate, ought not to have been granted the allowance. The indiscriminate nature of the grant constitutes, in my opinion, its worst and most reprehensible feature. No wonder, after this, that the Indians should feel that India exists for the European services, and not the services for India. While the miserable pittance spent by Government on the education of the people has stood absolutely stationary for the last five years on the ground that Government has no more money to spare for it, here is a sum larger than the whole educational expenditure of Government given away to its European officials by one stroke of the pen!

The salaries of some of the officers are fixed in rupees by statute. The grant to these men seems to be illegal as long as the statute is not amended. The question, I understand, has been raised, but it has not yet been disposed of by the Secretary of State. Meanwhile, the allowance continues to be paid to these officers pending such disposal.

EDUCATION.

The meagreness of the Government assistance to public education in India is one of the gravest blots on the administration of Indian expenditure. No words can be too strong in condemning

this neglect of what was solemnly accepted by the Court of Directors in 1854 as a sacred duty. During the last four years the Government grant to education has been absolutely stationary. In 1891-92 it was Rs. 88,91,73; in 1894-95 it was Rs. 91,09,72 showing an increase of only two lakhs and 18 thousand rupees in four years. But even this increase was only an addition to the salaries of European officials in the Department in the shape of exchange compensation allowance, as may be seen from the fact that, while there was no charge for this allowance in 1891-92, in 1894-95 the compensation to educational officers was one lakh and 88 thousand rupees. Side by side with this might be noted another fact, viz., that during these same four years the Government expenditure on public education in Great Britain and Ireland increased from five millions to nearly nine millions sterling, and the contrast is too powerful to need any comments. One cannot help thinking that it is all the difference between children and step-children. There are more than 537 thousand towns and villages in India, with a total population of about 230 millions, and yet there are less than a hundred thousand public primary schools for them. The population of school-going age in India is about 35 millions, out of whom only about four millions, including those attending private or unaided schools, are under instruction, which means that out of every 100 children of school-going age 88 are growing up in darkness and ignorance, and consequent moral helplessness. Comment on these figures is really superfluous.

I may add that in 1888 the Government of Lord Dufferin issued a resolution which amounted to a virtual change of policy in the matter of education. Only four years before that Lord Ripon had issued a resolution, addressed to all Local Governments, urging them to increase their expenditure on education, and even offering assistance from the Imperial Exchequer, where absolutely necessary. In 1888, however, Lord Dufferin directed the Local Governments in express terms to gradually reduce the share contributed by Government to public education.

RAILWAYS.

My friend, Mr. Wacha, has gone into this question in great detail, and I will only add one or two observations to what he has said. In the evidence already recorded by the Commission, satisfaction is expressed in one or two places that in India the working expenses of railways form a smaller percentage of the total railway receipts than in England, and the conclusion seems to be drawn that Indian railways are constructed and worked more cheaply than English railways. I may, however, state that this lower percentage of working expenses is not peculiar to our railways only, but is, in fact, a necessary condition of all industrial undertakings in India. Labour with us is very cheap, while capital is very dear, so a much larger margin is necessary for profits, and a much smaller one suffices for the working expenses than is the case in England. The mere fact, therefore, that the working expenses of Indian Railways form a smaller percentage of the total receipts than they do in England does not, in reality, prove anything.

Meanwhile it may fairly be asked, if Indian railways are on the whole a profitable undertaking, why do English investors, with all their enterprise, almost invariably insist on a Government guarantee of interest in one form or another? There was an excuse for the first Companies requiring such a guarantee. But after so many years' experience of Indian Railways, and after so many protestations, both from the existing Companies and from Government, that there is a great, a prosperous future for Indian Railways, it is astonishing to see that every new scheme proposes that all elements of risk and possible loss in it should be shifted on to the Indian tax-payer, securing an absolutely safe, clear percentage of profit for the English investor. So long as the Indian Government has to bear a net loss on Railway account, no matter from what cause, so long it is futile to represent the Indian Railway enterprise, whatever may be its other advantages, as a commercial success.

I have two suggestions to offer on this subject of Railways. The first is that the time has now come when the same restrictions that now exist on the outlay of public money on unproductive public works should be imposed in the case of these so-called productive works also; these restrictions being that in future all Government expenditure on these works, direct or indirect, should be out of surplus revenue only, and not out of borrowed money. A new programme, costing 28 crores of rupees, has just been announced, and a private letter which I received from "India" by the last mail says that it has been sanctioned in spite of the protest of the Finance Minister, Sir James Westland. When one remembers that the condition of Indian Finance is at present most depressed, that all really important lines have been already constructed, and that many most pressing needs of the country—such as education—receive no attention from the Government, on the ground of the poverty of its exchequer, one cannot help thinking bitterly of this reckless profusion of Government in the matter of railway construction, especially as the Indian people feel that this construction is undertaken principally in the interests of English commercial and moneyed classes, and that it assists in the further exploitation of our resources.

The second suggestion is that the Guaranteed Railways should be taken over by Government at the first opportunity in each case without exception. The waiver of the right to take over the E.I.P. Railway twenty years ago was very unfortunate. Apart from the loss entailed by the high guarantee, by the unfair manner of calculating the surplus profits, and by their calculation six-monthly, instead of yearly, there is another very deplorable loss which the Indian Exchequer must bear in the matter of these Guaranteed Railways. The shares of these Companies are at a high premium, and that is due in great measure to the Government guaranteeing a high rate of interest. The premium thus is to a considerable extent only artificial, and yet Government must pay it when it has to take over these railways.

FAMINE INSURANCE FUND.

All statistics on the subject of this Fund are already before the Commission. Of late years there has been a deal of controversy as to the real object with which the Fund was created. I think the best evidence that I can offer on this point is to quote the following extract from the Report of a Parliamentary Committee, which examined in 1879 the subject of Public Works in India, and of which Lord George Hamilton was Chairman:—

“During the financial years 1877-78 and 1878-79 additional taxation was imposed in India in order to establish an Annual Famine Insurance Fund of £1,500,000. That amount was fixed with reference to the famine expenditure, which during the last six years had amounted to the enormous sum (excluding loss of revenue) of £14,487,827, of which a very large proportion had been met by borrowing.

“The object, therefore, of this Famine Insurance Fund was by increasing the revenue to avoid the constant additions to the debt of India, which the prevention of periodical famines would entail, by either applying that increase of income to works likely to avert famine, and thus obviate famine expenditure, or by reducing annually debt contracted for famine, so that if famine expenditure should again become inevitable the reduction of debt made in years of prosperity would compensate for the liabilities incurred during scarcity.

“This increase of taxation was sanctioned by the Secretary of State in Council, on this understanding.

“Last September the Home Authorities received a Despatch from the Indian Government adverting to the difficulty of discriminating between works strictly productive, and those only admissible as providing against the effect of famine, and proposing to accept a yearly maximum dead-weight charge, to be fixed, as experience may suggest, for works constructed as productive, whether under the existing strict conditions, or as now proposed, in order to prevent famine, or give protection from famine, or diminish the expenditure for the counteraction of

famine, if it occurs. In other words, they would limit to a specific maximum amount the net expenditure for the interest on the capital cost of all such works and their maintenance, after setting off all the net income yielded by the works. In addition to the annual loss entailed by their net existing liabilities, they proposed to add an annual sum not to exceed 25 lakhs of rupees, and they thought that that amount might form a primary charge upon the Famine Insurance Fund on the consideration that the construction of any works not fully productive, according to the existing definition, which may be thus facilitated, will cause an equivalent reduction of the ultimate liability on account of famines when they occur.

"The first portion of this proposition had been already suggested by the Indian Government in 1876, and rejected by the Secretary of State in Council. The latter part of the suggestion by which it is proposed to permanently assign 25 lakhs of rupees of the Famine Insurance Fund, in order to raise money for the construction of famine works, not fully productive, is an entire inversion of the object for which the fund was raised. This increase of taxation was justified as necessary in order to meet, as far as possible, famine expenditure for the future out of income; but to immediately appropriate a portion of the income so raised to pay the interest of new loans was a proposal which, in the opinion of your Committee, the Secretary of State in Council had no option but to reject."

Lord George Hamilton is now Secretary of State for India, and, judging from a recent debate in the House of Commons, his Lordship seems to have forgotten what he wrote in 1879 as Chairman of that Parliamentary Committee. The Indian people, however, have a better memory.

THE CIVIL DEPARTMENTS OF THE BOMBAY PRESIDENCY.

I now come to a criticism of the Civil Departments of my Presidency, on which subject, I understand, the Commission would like to hear my views. I may mention that a very exhaustive

memorial, criticising the working of these departments from the financial point of view, was submitted in 1886 by the Poona Sarvajanic Sabha, of which I was Hon. Secretary for seven years, to the Finance Committee appointed by Lord Dufferin. In so far as the situation has undergone no change, that criticism has only to be briefly repeated on this occasion. Where the situation is altered, I must modify our observations of ten years ago.

GENERAL ADMINISTRATION.

The total charge under this head in 1884-5 was about $12\frac{1}{2}$ lakhs of rupees. In 1894-5 it was over $14\frac{1}{2}$ lakhs. A large part of the increase is due to exchange compensation allowance. About half a lakh is due to the transfer of the charges of the Inspector-General of Jails, Registration, and Stamps, to this head. The increase in the Civil Secretariat is striking, being about 60,000 rupees. The expense of the staff and household of the Governor have also increased from 86,000 rupees to over one lakh. It has long been felt that the Bombay expenditure under both these heads is on an extravagant scale. In Madras they manage things much cheaper. Madras is a larger Presidency than Bombay, and yet, 1894-5, its Civil Secretariat expenditure was only 306,400 rupees, as against 414,000 rupees for Bombay. Similarly, the staff and household expenditure in Madras in that year was 46,000 rupees, as against 107,000 rupees for Bombay. On this point I would suggest that the Staff and Household allowance in Bombay should be commuted into a lump-sum of about 60,000 rupees a year.

The intermediate supervising staff of Commissioners of Divisions also comes under this head. Its cost in 1894-5 was over $3\frac{1}{2}$ lakhs. This item of expenditure is a very heavy and perfectly needless drain upon the revenues. This institution of the Commissioners introduces an unnecessary step between the district and the head quarters of Government, causes culpable delay in the speed of despatch of public business, and is opposed to the proper efficiency of the District Government. The Commissionership of the Central Division was, moreover, created twenty years ago in consequence

of the pressure of famine, and it ought to have been abolished as soon as the pressure had disappeared.

LAND REVENUE ADMINISTRATION.

The charges under this head are about 65 lakhs, and have for some years past been more or less steady. In the Presidency proper, there are 12 senior and 9 junior Collectors, with 41 Assistant Collectors. There is besides a large number of supernumeraries. Then there are about 50 Deputy Collectors, and a large number of mamlatdars, one for each taluka. On an average, each district has one Collector, two Assistant Collectors, one or two supernumeraries, and two Deputy Collectors, with a Mamlatdar for each taluka. When the Revenue Department was first organised, the other departments of the State were not formed, and the Revenue officers were the only officers whom Government could regard as its principal executive officers. Collectors, therefore, found it almost impossible to conduct their duties efficiently, and their staff had to be strengthened by the addition of Assistant Collectors, but during the last few years, most of the other Departments have been fully organised, and each Department has now its special staff of administrative and executive officers. Under these altered circumstances, therefore, there no longer exists the necessity of maintaining the staff of Assistant Collectors under the district revenue officer, except so far as the necessary provision of training some few covenanted Civilians for district work might require. For this purpose, one, instead of two or three—the present number of assistants—would be more than sufficient. This change, without affecting the efficiency in the slightest degree, will relieve the State of a needless and costly burden.

The district in India is the proper unit of administration, the Collector being the chief representative of Government in the district. The present scheme of District Administration, however, is radically defective and entails a large waste of public money. The great multiplication of Central Departments which has taken place in recent years, has, while imposing a heavy strain

on the finances, considerably weakened the position of the Collector and the machinery of administration has, in consequence, become much more vexatious to the people than it was before. The great fault of the existing system is that the number of inspecting, controlling and supervising officers is wholly out of all proportion to the number of real workers. Government, in all its departments, fixes the salaries of its officers high enough to show that it trusts these officers and expects from them efficient and conscientious work ; but after showing this mark of confidence, it imposes check upon check, as if no officer could be trusted to do his duties. Perhaps such a state of things was inevitable in the early days of British rule, when everything had to be properly organised, and various administrative reforms had to be carried out. But now that things have settled themselves, and most of the work done is comparatively of a routine character, it is a sheer waste of public money to maintain such a system of checks and over-centralization. I have already spoken of the Divisional Commissioners, who are at present only a fifth wheel to the coach. In the North-West Provinces, Punjab and Bengal, there are, besides the Commissioners of Divisions, Revenue Boards of two or three members. This double or treble machinery serves no useful purpose beyond a nominal, but very often vexatious check. It may be admitted that some check is necessary, but too much check defeats itself by becoming either vexatious or nominal, or both. What is wanted is a check more real, by its being more on the spot. The district being a unit of administration, the Collector's position should be that of the President of an Executive Board, consisting of his Revenue, Police, Forest, Public Works, Medical and Educational Assistants, sitting together each in charge of his own department, but taking counsel in larger matters with the heads of the other departments under the general advice of the Collector-President. To this official Board, the Chairmen of the District and Municipal Boards may be joined as non-official representatives. These ten members, thus sitting together, and representing as many departments, would form the best check

on each individual department. With such a self-adjusting, simple and effective system at work, the present complicated and less efficient system of check and over-centralization might be dispensed with to the great relief of the people, and of the finance of the Presidency.

FOREST.

The expenditure under this head was Rs. 964,000 in 1891-2. In 1894-5, it was Rs. 1,034,000—an increase of Rs. 70,000 in three years. The increase was mainly due to exchange compensation allowance. The administrative charge in this Department is excessive. The salaries of the Conservators, Deputy Conservators, and Assistant Conservators, who, with the exception of one man, are all Europeans, amount to no less than $3\frac{1}{2}$ lakhs of Rupees, or one-third of the whole expenditure. The department, moreover, is working in a most unsatisfactory manner, causing immense discontent and irritation among the rural classes—a discontent gradually culminating in some parts in outbreaks of lawlessness. It also comes frequently into conflict with the Revenue Department. If the work be handed over to, and placed under the charge of the Collector with a Forest Assistant, its operations will be much less vexatious to the people, the conflict between it and the Revenue Department would be avoided, and the arrangement would result in a saving to the State. The Forest Department is at present controlled by three Conservators, nineteen Deputy Conservators, and nine Assistant Conservators. There are besides about twenty extra Assistant Conservators. This excessively costly staff could now be reduced and replaced by much cheaper agency, if the suggestions made above were carried out. Moreover, the work done by the lower paid establishment should be, as far as possible, handed over to the village officers, who would do it much more efficiently and cheaply, as a small increase in their existing remuneration would be deemed by them as adequate payment for the extra work.

Forest, Irrigation and Agriculture, are all at present separate Departments, each working in its own orbit, though they all are

supposed to discharge duties practically allied to each other. The promotion of the agricultural industry of the country is the common object of all, but the Departments, being separate, work on their own lines—not always convergent to the main end; and there is necessarily a considerable waste of funds and effort. Even under the existing system, if these Departments were amalgamated, one supervising establishment would do where we now have three. The change will be attended with advantage to the agriculturists and relief to the finances of the country.

POLICE.

The charge under this head in 1894-5 was over 66 lakhs of rupees. In 1892-3, it was less than 51½ lakhs. The increase is chiefly due to the reorganisation scheme carried out in 1894 at an annual cost of over four lakhs for the Mofussil Police and about one lakh for the Police of the Presidency town. As in the case of several other Departments, this Department is largely over-officered in the upper staff. In 1884, the Inspector-Generalship of Police was created with a salary of Rs. 24,000 a year. The creation of this office was not favoured by the Government of India itself for a long time, but it yielded at last to the persistent pressure of the local Government. This needless centralisation, in addition to being expensive, has disturbed the harmony which previously prevailed in the district administration, when the District Police Officer was a direct subordinate of the Collector of the District. The Police Department has no policy of its own to carry out, and it may well remain directly under the Collector of each District. I may mention that men like Sir Barrow Ellis were strongly opposed to the creation of the Inspector-Generalship.

The superior staff has been constantly on the increase. In 1879, the number of District Superintendents and Assistant Superintendents was 22. In 1886-7 it was 30. It now stands at 38, all Europeans. There are besides about nine Probationers. The institution of the grade of Police Probationers has all along been regarded by the Indian public as a great scandal, and evidence was offered before the Public Service Commission that all the 13

Probationers that had till then been appointed were relatives of persons occupying high posts in the Administration—men who had failed in qualifying themselves for any other career.

But while the Superior Staff is excessive and too costly, the lowest grades in the Department—the class of Constables—require large improvement. A much better type of men must be attracted to the ranks by offering adequate inducement. It is no exaggeration to say that the Indian Police of the present day, outside the Presidency towns, are a thoroughly incompetent, unscrupulous, corrupt body, causing vast misery to the bulk of the people. They are often found to be themselves actively aiding and abetting crimes—especially crimes connected with property. Outside the Presidency towns there is no detective service worth mentioning. A large increase of expenditure is necessary if the Department is to be effective for protecting, and not harassing the general population.

EDUCATION.

Here, too, a large increase of expenditure is necessary if Government desires to discharge its duties adequately by the people. The charge under the head of education at present is about twenty lakhs, of which three lakhs are consumed by direction and inspection. Our percentages are, no doubt, slightly better than those for the whole of India, but that is hardly a matter for congratulation, seeing that what is being done is almost as nothing compared with what ought to be done. So long as we have only 9,000 public primary schools for over 25,000 towns and villages, and about 80 children out of every 100 of school-going age are growing up in utter darkness, so long the educational policy of the Government will always be a reproach to it.

In this connection there is one point to which I am anxious to draw the particular attention of the Commission. That point is the absolutely inelastic character of the financial provision, which is made for primary education in rural areas. In these areas primary education is now entrusted to Local Boards, Government contenting itself with a grant-in-aid to these Boards of one-third

the total expenditure. Now the only revenue that these Boards have at their disposal is the proceeds of the one-anna cess, and these proceeds are devoted in certain fixed proportions to primary education, sanitation, and roads. As our revenue settlements are for periods of thirty years, it follows that during these periods the proceeds of the one-anna cess must be more or less stationary—which means that the amount that Local Boards can devote to primary education, being a fixed proportion of these proceeds, must also remain more or less stationary, during the currency of each period or settlement. And as Government will, as a rule, contribute only one-third of the whole expenditure, *i.e.*, one-half the amount spent by the Boards, it is clear that the resources that are available for the spread of primary education are entirely inelastic for long periods. I believe Sir James Peile had proposed, when he was Director of Public Instruction in Bombay, that local bodies should be empowered to levy special educational cesses, if they pleased. In the absence of Government finding more money for the education of the masses—a duty definitely accepted as a sacred trust—this seems to be the only possible solution of the difficulty.

LAW AND JUSTICE.

The charge under this head in 1894-5, including the cost of jails, was 46 lakhs of rupees. Of this sum, the expenditure on the High Court came to about 6 $\frac{3}{4}$ lakhs. It has long been a matter of complaint that our High Court is managed on a more extravagant scale than that of Madras, the expenses of the latter in 1894-5 being less than 5 $\frac{1}{2}$ lakhs. The great item of difference is the expenditure of the original side, which in Bombay is about 2 $\frac{1}{4}$ lakhs, and in Madras not even one lakh. The Appellate side of the Bombay High Court, which does the Appellate work for the whole Presidency, is maintained at a cost of about one lakh of rupees only. The expensiveness of the High Court is, however, not due so much to the cost of the machinery employed as to the monopoly enjoyed by Solicitors and Barristers, whose fees represent a charge on litigation which is almost prohibitive. It is, indeed, high time that the

system of the Civil and Criminal Administration of justice in Bombay was improved so as to render it less costly. The Finance Committee of 1896 made certain proposals about reducing the cost of the Bombay High Court, some of which have not yet been carried out. The Clerk of the Insolvency Court still continues to receive fees amounting to nearly the salary of a puisne Judge, for only nominal work.

The Judicial Department is specially a department for high posts in which the qualifications of Natives have been repeatedly recognized. And yet among all the District and Sessions Judges of the Presidency, there is not to be found a single Native except Mr. Tagore, who, however, got in by passing the competitive examination in English. The Public Service Commission recommended that one-third of the District and Sessions Judgeships should be set apart for Natives. No effect, however, has yet been given in practice to that recommendation.

The question of the separation of Judicial and Executive functions comes under Law and Justice. It is contended, on behalf of Government, that such separation would entail extra expenditure of something like half-a-crore of rupees for the whole of India. Now, in the first place, this appears to be simply an over-estimate. Assuming, however, that the additional cost would be as high as that, it is much less than what was given to the European Services by one stroke of the pen in 1893—I mean the Exchange Compensation Allowance.

This year, in certain famine areas, Sub-Judges are entrusted with criminal work also to the relief of revenue officers, and the experiment so far has succeeded very well. A similar experiment was tried during the famine of 1877 with equally satisfactory results.

The Stipendiary Sub-Judges and Sub-Magistrates may with advantage be relieved of a portion of their lighter work, by the appointment of Honorary Magistrates and Arbitration Courts. Honorary Magistrates have already been appointed in the larger towns, but benches of such Magistrates may be constituted in

Taluka towns with great advantage to the Government and the people. Further, the caste and trade Panchayats may be utilized for the purposes of settling Civil disputes. There has already been a reform in the manner of disposing of petty cases, and Arbitration Courts have been reorganized as cheap and efficient institutions for the administration of justice in small cases. If the same principle be extended to the Courts of Subordinate Judges, and if Civil juries are associated with Sub-Judges in the disposal of suits involving larger amounts of money, as also in deciding questions regarding rights and customs, ample relief will be afforded to the superior Courts, which may ultimately enable considerable economies to be effected.

PUBLIC WORKS DEPARTMENT.

The expenditure under this head, including Provincialized Railways and Irrigation and Civil Works, was about 35 lakhs of rupees in 1894-5 out of which about one-third was for establishment. The first two items came to a little over one lakh, and the rest was for Civil Works. Except in Sind, we have no irrigation worth speaking of, and I think it would be a great advantage if the construction of storage tanks and wells in areas where the rainfall is uncertain were undertaken by Government on a large scale and in a systematic manner. As regards the Civil Works outlay, it is noticeable that the highly paid machinery of Executive Engineers, etc., is still kept up in all the Districts, though in several of them the expenditure on Civil Works from the Provincial revenues does not exceed a merest trifle, and the works required by the Local Funds are of a sort that far lower establishments can safely undertake. The reduction in the Executive Engineer's charges, appears to be urgently called for.

MONOPOLY OF ALL HIGHER OFFICES BY EUROPEANS.

Similar criticism might be offered about the remaining Departments, but I have no wish to weary the Commission with further observations of the kind. But there is one great evil common to all the Departments, and a few words on that may be allowed.

This evil is the practical monopoly of all the higher posts by Europeans. The following analysis of the Civil List for the Bombay Presidency for January, 1897, will make my meaning clear:—

COVENANTED CIVIL SERVANTS, or as they are now called, Civil Servants of India. The total number of these Civil Servants, attached to Bombay at present, is 156, out of whom only five are Indians, these five having entered by the competitive door in England. There are, besides, eight statutory Indian Civilians. The Members of Council, the High Court Civilian Judges, the Commissioners of Divisions, the Secretaries to Government, the Senior Collectors are all Europeans. There is one native among the District and Session Judges, and one native Acting Junior Collector among Junior Collectors.

CITY MAGISTRATES.—There are 4 City Magistrateships, two on Rs. 800 a month, and two on Rs. 500 a month. The two former are held by Europeans (not covenanted), the two latter by natives.

LAND RECORDS AND AGRICULTURE.—There are 6 posts in this Department, with a salary of over Rs. 400 a month. They are all held by Europeans.

FOREST DEPARTMENT.—There are 29 posts in this Department, with salaries ranging between Rs. 400 a month to Rs. 1,600 a month. They are all held by Europeans. There are nine Europeans even below Rs. 400 a month.

SALT.—There are 12 posts with salaries ranging between Rs. 400 to Rs. 1,130 a month. Only one of these is held by an Indian.

POST.—The Postmaster-General is a Civilian. There are 11 posts under him, with salaries above Rs. 400, out of which seven are held by Europeans.

TELEGRAPH.—There are 12 posts in this Department, with salaries ranging between 400 and 1,000 rupees, and they are all held by Europeans. There are, moreover, 40 posts between Rs. 100 and Rs. 400 a month. Of these, also, 36 are held by Europeans.

REVENUE SURVEY.—There are 10 posts in this Department, with salaries above Rs. 400. They are all held by Europeans.

ACCOUNTANT-GENERAL'S DEPARTMENT.—The Accountant-General and Deputy Accountant-General are Civilians. There are 5 posts under them, with salaries ranging between 400 and 1,000 rupees, 4 of which are held by Europeans.

HIGH COURT JUDGES.—Out of 7 Judges, 2 are Natives.

GOVERNMENT LAW OFFICERS.—There are 7 Government Law Officers, of whom 6 are Europeans. Four of these get Rs. 2,000 a month and above, one gets Rs. 1,000, and the sixth man gets Rs. 250. There is only one native among these, who is paid Rs. 300 a month.

OFFICERS OF THE HIGH COURT.—There are 14 officers, with salaries ranging between 400 and 2,500 rupees a month. Of these 6 are Natives.

PRISON DEPARTMENT.—The Inspector-General draws Rs. 2,000 a month, and there are under him 11 officers receiving Rs. 350 to Rs. 1,200 a month. They are all Europeans.

CANTONMENT MAGISTRATES.—There are 11 such Magistrates, with salaries ranging from Rs. 100 to Rs. 1,250 a month. They are all Europeans.

POLICE.—There are 54 officers in this Department, with salaries ranging between Rs. 250 and Rs. 1,800 a month. Of these only 3 are natives, and they are all drawing Rs. 250 a month. There are, moreover, 5 officers in charge of Railway Police. They are all Europeans, and draw salaries ranging between Rs. 350 and Rs. 1,000 a month.

EDUCATION.—The Director is paid Rs. 2,500 a month, and under him there are 45 officers receiving between Rs. 400 and Rs. 1,500 a month. Of these only 10 are natives, and with one exception, they get either 400 or 500 a month—the one gentleman mentioned as an exception is a Native Christian, and draws 633 rupees a month.

ECCLESIASTICAL.—There are 31 paid officers in this Department. They draw between Rs. 400 and Rs. 800 a month, and are, of course, all Europeans.

MEDICAL.—The Surgeon-General draws Rs. 2,500 a month, and there are under him 59 officers drawing salaries between 400 and 1,600 rupees a month. Out of these only 4 are natives.

SANITARY.—There are 7 posts in this Department, with salaries between Rs. 400 and Rs. 1,200 a month. They are all held by Europeans.

POLITICAL.—There are 66 officers in this Department, drawing salaries ranging between Rs. 400 and Rs. 3,500 a month. Only two of these are Natives, one of them drawing Rs. 400 and the other Rs. 450 only.

PUBLIC WORKS.—There are 83 officers in this Department, drawing salaries between Rs. 250 and Rs. 2,500 a month. Of these 23 are Natives.

The Subordinate Judgeships and Deputy Collectorships are the only branches of the Public Service which are free from this practical monopoly by European officers.

APPORTIONMENT OF CHARGES BETWEEN ENGLAND AND INDIA.

On the narrower ground which the Government of India have chosen to occupy in this matter, they have, I think, stated the case for India very effectively. I agree, however, with Mr. Dadabhai Naoroji and Mr. Wacha in thinking that the field, in respect of which equitable apportionment is necessary, is much wider than that. I will add a few observations to explain my meaning:—

(1)—*The India Office Charges.*

These stand at about £273,000, and ought to be borne by England, or at least divided half and half between England and India. The Secretary of State for India, as a member of the Imperial Cabinet, represents the Imperial Executive, and discharges the Imperial function of general controlling supervision in respect of Indian administration just as the Secretary of State for the Colonies does for the Colonial Governments. The salary of the Colonial Secretary, together with his office charges, is borne on the Imperial Estimates. In strict justice, therefore, the India Office ought to form part of the Imperial Establishments and paid out of the Imperial Exchequer. I am, however, aware that it is urged on the other side that, under present arrangements, the India Office has to do much directive and executive work in regard to

Indian administration which the Colonial Office is not called upon to do, and I should, therefore, be satisfied if the charges were divided half and half between India and England.

(2)—*Army Charges due to recent additions.*

These increases were due to the panic caused by the Penjdeh incident, and were alleged to be necessary for the better protection of the North-West frontier. Upper Burmah was, however, subsequently annexed, British Beluchistan was organised, various frontier enterprises carried out, and almost the entire increased strength has been thus absorbed in these newly conquered territories—a fact that shows that they were not really required for purposes of the defence of the North-West frontier.

Similar temporary additions were made at the same time to the Imperial garrisons in other parts of the Empire in view of an imminent conflict with Russia, Mr. Gladstone obtaining a large vote of credit for this purpose. But as soon as the emergency passed away, the garrisons were reduced; only in India was the increased strength maintained.

These additions were in excess of the maximum defence requirements of the country as defined by the Army Commission of 1879 in view of frontier and other contingencies—even Russia and Afghanistan making common cause.

The additions were protested against when made by two members of the Viceregal Council, including the Financial Minister, who urged that in the first place they were not necessary, and that, secondly, if they were wanted, that was for purposes of the Imperial policy, and the Imperial treasury should pay for them.

This increased force, therefore, of 30,000 troops forms no part of our Indian army proper, but is an Imperial garrison and serves as an Imperial Reserve, and the cost of it ought to be an Imperial charge.

(3)—*Our Ordinary Debt.*

Our ordinary debt, as distinguished from our Public Works debt, stands at present at 68 crores.

This portion of our debt would not have until now remained undischarged but for charges unjustly imposed upon us in the past in respect of various wars and expeditions in promotion of Imperial schemes of territorial expansion.

| | Cost in Crores. |
|------------------------------------|-----------------|
| First Burmese War (1823) | 13 |
| First Afghan War (1838-42) | 15 |
| Abyssinian War | 6 |
| Second Afghan War :— | |
| Total Cost... .. | 22 Crores. |
| Minus Imperial Contribution | 5 Crores. |
| | 17 |
| Egyptian war | 1·2 |
| | <hr/> 46·8 |

Add to this 67·8 crores thrown upon India since 1885, in pursuance of an Imperial policy, as shown in the following Table :—

| Frontier Expenditure since 1885. | Aggregate Charge during the Period in Crores. | Permanent Annual Charge in Crores. |
|--|---|---|
| Military Roads | 1·250 | ... |
| *Strategic Railways | 14·000 | 600 |
| Special Defence Works | 4·630 | ... |
| Army Increases (including Beluchistan Garrison, | 22·000 | 3·900 |
| Frontier Extension :— | | |
| 1. Upper Burmah | 14·920 | 925 |
| 2. British Beluchistan | ... | 086 |
| 3. The Gilgit Agency and Protectorate (including Chitral) | ... | 220 |
| 4. Somali Coast | ... | 012 |
| 5. The Afghan Protectorate | ... | 180 |
| Cost of Expeditions, &c. (ex- clusive of Burma) | 8·240 | ... |
| Political Expenditure | 2·838 | 457 |
| Total in crores | 67·878 | 6·380 |

* The charge is met from capital and not from current revenue.

We thus get a total of 1146 crores of rupees, unjustly imposed by the Imperial Government on us in furtherance of its own policy. If even half the sum were refunded to us, our ordinary debt will practically disappear.

I would mention in this connection that we have paid every shilling of the cost of the British Conquest, including even the cost the suppression of the Mutiny (which was close on 50 crores) England contributing absolutely nothing in aid of all this expenditure, though her responsibility for the latter event was possibly greater than ours, in consequence of the withdrawal of European regiments from the country, despite the protest of the Government of India for service in the Crimea and Persia.

England has paid such charges for Imperial Conquest or settlement in respect of her Colonies. She has even paid the cost of the suppression of the insurrection in Canada (1838-43) out of Imperial Revenues. Nor has she ever called upon her Colonies—not even the Cape—to undertake Imperial wars or to contribute towards their charge.

UPPER BURMA lies beyond the Indian frontier, and we have had no interest in its conquest and annexation except as a province to be held and administered as an Imperial trust. The conquest was effected in furtherance of Imperial policy and the commercial interests of the Empire, and no special Indian interest was ever here at stake.

British Beluchistan and the Gilghit Protectorate are beyond the line of our impregnable defences, and India has no concern with them except as Imperial charges.

These are new conquests, and as years pass by will require large expenditure for purposes of administrative improvement and material development. And it is suggested that they be taken off our hands—as Ceylon, St. Helena, and the Straits Settlements were in a former day—and be directly administered as appanages of the Crown.

Bechuanaland (South Africa) is administered as a Crown Colony, and is not thrust on the hands of the Cape.

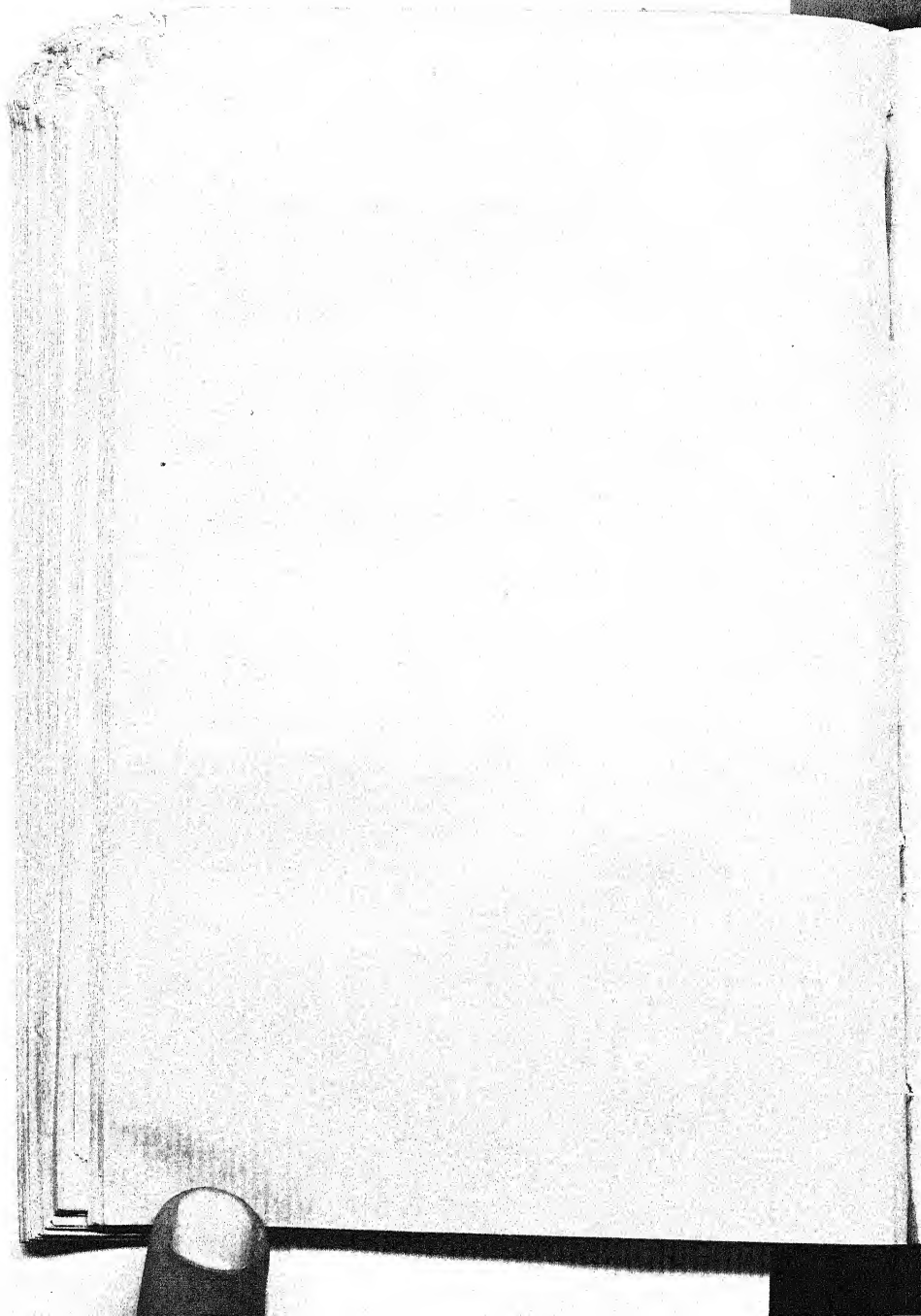
POLITICAL EXPENDITURE BEYOND THE FRONTIER.

This is properly Foreign Office Expenditure as connected with the general foreign relations of the Empire. Foreign policy and control of foreign relations are Imperial functions, and charges in connection therewith, in whatever part of the Empire, ought to be borne on the Imperial Estimates.

India has no interests whatever beyond her territorial borders, and has only to maintain peace and order on her own side of the frontier. The Indus, the desert, and the Himalayan Wall are impregnable lines of defence on the North-West, behind which she can remain in perfect security.

All such expenditure, therefore, as is represented by the subsidies to the Amir and other tribal chiefs, and other like charges are strictly Imperial in furtherance of Imperial interests in mid-Asia.

THE IRREDUCIBLE MINIMUM OF EUROPEANS. Lastly, if England thinks that a certain number of European officers and a certain strength of the European Army *must* always be maintained in India she must be prepared to pay a fair share of the cost thrown on India for the purpose, the maintenance of British Supremacy in India being a matter affecting the most vital interests of England.



APPENDIX—B.

THE WELBY COMMISSION.

EVIDENCE IN CROSS-EXAMINATION

OF

GOPAL KRISHNA GOKHALE.

(Chairman.) The Commission is very glad to have this opportunity of obtaining your opinion on questions connected with the administration of the Government in India. Would you tell us the subjects to which you have devoted your attention, and the employment which you have held in India?—I am honorary secretary of the Deccan Sabha, an Association established in Poona for promoting under British rule the political interests of the Indian people. For seven years I was honorary secretary of the Poona Sarvajanic Sabha, another political association in Poona of a similar character, and honorary editor of its quarterly journal, a magazine dealing principally with questions of Indian finance and Indian administration. I am, besides, a member of the Council of the Bombay Presidency Association, on whose behalf my friend Mr. Wacha has given evidence before this Commission. For four years I was one of the secretaries of the Bombay Provincial Conference. I was also a secretary of the 11th Indian National Congress that met in Poona in 1895. I was for four years one of the editors of the *Sudharak* or Reformer, an Anglo-Marathi weekly of Poona. Lastly, I belong to a body of men in Poona who have pledged 20 years of their life to the work of education, and am Professor of History and Political Economy in Fergusson College.

How would you like to divide your evidence?—In accordance with the plan adopted by the Commission, I will divide my evidence into three portions, the Machinery of Control, the Progress of Expenditure, and the Apportionment of charges between England and India.

Then, we will take, first of all, the machinery of control, and, perhaps, you would give us your views upon that subject?—The question of the machinery of constitutional control is, in my opinion, a question of the highest importance. I may state at the outset that the position of India, so far as the administration and management of her expenditure is concerned, is somewhat exceptional. In the United Kingdom and the Colonies, public-expenditure is administered under the control of the taxpayers, and, therefore, presumably solely in the interests of the taxpayers. In India, however, other interests are often deemed to be quite of equal importance, and sometimes indeed they are allowed to take precedence of the interests of the Indian people. Thus we have, first of all, the standing claims of the interests of British supremacy, entailing a vast amount of expenditure, the benefit of which goes to others than the taxpayers of the country. The large European Army maintained on a war footing in times of peace, the practical monopoly of nearly all the higher offices in the Civil Services by Europeans, and the entire monopoly of such offices in the Native Army illustrate what I mean. I do not deny that this supremacy in itself has been a great advantage to India, but what I mean is that the price that is exacted for this advantage is beyond all proportion too high. We next have the interests of the extension of British dominion in the East. Large sums have been from time to time spent in the past for this purpose out of the Indian Exchequer—in many instances in spite of the protests of the Indian Government—and if things continue as at present, this misapplication of India's money is not likely to stop. All expenditure incurred in connexion with the Afghan and Burmese wars, the extension of the Northern and North-Western frontiers, and the utilisation of Indian troops for Imperial purposes is expenditure of this description. Then there are the interests of the European Civil and Military Services in India. The extravagant privileges conceded to Staff Corps officers in 1866 have, it is now admitted on all hands, imposed, and improperly imposed, a heavy charge on the Indian revenues. The reorganisation of the Public Works Department in 1885 may be cited as another illustration. The Finance Committee of 1886, appointed by Lord Dufferin's Government, consisting of men like Sir Charles Elliott, late Lieutenant-Governor of Bengal, Mr. Justice Cunningham, Sir W. W. Hunter, Mr. (now Sir James) Westland, Mr. Justice Ranade, and others, thus expressed themselves on this subject: "The reorganisation of the (Public Works) Department "was undertaken in consequence of an agitation on the part of the "European Civil Engineers employed in it, which was conducted "in a manner likely in our opinion to have a bad effect on discipline "and therefore deserving of the disapproval of Government. It "seems to us to have violated the orders of Government on the "subject of combinations by its servants. Such an agitation

"would not have been permitted in any other department and
"should not again be allowed. The object of the reorganisation
"was to improve the position of the officers of the department
"generally, and in particular to remove the block of promotion,
"which had arisen from the excessive number of recruits obtained
"from Cooper's Hill College in the earlier years of that institution.
"During the continuance of the discussion which we have summarised,
"great attention was given to the grievances of the officers
"of the department, but a careful consideration of the whole
"subject leads us to doubt whether the measures sanctioned were
"altogether suitable, either in kind or in respect of the classes to
"which they were applied. They mostly consisted of increments
"of pay to the Executives of the third and fourth grade, and to
"the Assistant Engineers of the first and second grades, none of
"which classes of officers were at the time, so far as we understand
"the case, in particular need of special assistance, and of
"the grant of greatly improved pensions to all officers of both
"classes, and they were made perpetual in their application."
The concession made in 1890 to uncovenanted civil servants,
whose pensions were fixed in rupees, that these pensions would be
converted into sterling at the rate of 1s. 9d. to the rupee, and the
grant of exchange compensation allowance to all non-domiciled
European and Eurasian employés of Government indiscriminately
are more recent instances. Lastly the interests of British
commerce and of British commercial and moneyed classes often
prevail over the interests of the Indian taxpayers. I might have
mentioned the abolition of import duties during the administrations
of Lord Lytton and Lord Ripon, as also the tariff legislation
of last year as instances. But they do not come under expenditure
and may therefore possibly be regarded as irrelevant. But the
wasteful nature of many railway contracts, the extraordinary help
given to the Orissa Company, the Madras Irrigation Company,
and such other bodies of English investors, the vigour with
which the construction of railways is being pushed on, programme
following programme almost in breathless succession, in spite
of the protest of the Finance Member that the finances of the
country now needed a respite in that direction, the conquest and
annexation of Burmah, practically at the bidding of a powerful
English trading company; these are instances which are not open
to the same objection. This frequent subordination of the interests
of the Indian taxpayers to these other interests makes it all the
more imperative that the machinery of constitutional control
should provide adequate safeguards for a just and economical
administration of the Indian expenditure, and yet, I fear, nowhere
are the safeguards more illusory than in our case.

You say there that other interests are often allowed to take
precedence of the interests of the Indian people. May it not be
said, on the other side, that the measures which you name are not

taken in the interest of a class, but that they are undertaken in the interest of good government in India?—It all depends on what is meant by good government; our view is that these concessions are more in the interests of particular classes than of the Indian people.

I want to bring before you what would be the counter-statement, namely that the Indian Government, which is responsible for good government in India, has considered a number of these measures to be necessary for good government in India, and therefore this *per contra* argument should be borne in mind, should it not?—Oh, I know that, but it may also be remembered that responsible officers of Government itself after a time condemn many of the steps taken previously; for instance, the members of the Finance Committee condemned what the Government had done only five or six years before; the Government themselves have admitted that in the matter of the Staff Corps officers they made a great mistake. Then there is another thing also that no one expects the Government to openly acknowledge, namely, that these measures are intended in the interests of the services: nobody ever could expect that. Of course, whenever they are adopted, they are adopted ostensibly in the interests of good government; but the Indian people cannot help feeling that they are really adopted in the interests of certain classes. I am putting forward, of course, the view of the Indian people; I know that there is that view on the other side, which Government puts forward occasionally.

(*Sir Andrew Scoble.*) You do not profess to speak on behalf of the whole of the Indian people, do you?—Well, I profess to speak on behalf of the Deccan Sabha in the first instance; but, judging from the resolutions of the Congress, and the petitions which several other political bodies have from time to time addressed to the Government on the subject, I claim the views of the Congress party are the same.

(*Chairman.*) You speak of the large expenditure which has been laid out in the interests of the extension of British dominion in the East. On the other side, would not the Indian Government say that, according to the best of their knowledge and experience, that expenditure was necessary for the maintenance of peace and good government in India?—Yes; but in several cases the expenditure was forced upon India in spite of the protests of the Indian Government. The Afghan War of 1879, for instance, was ordered practically by Lord Beaconsfield from home. Lord Northbrook resigned previously rather than send a Consul to Cabul. In the same manner the first Afghan War was forced by the Board of Control on the Indian Government against the wishes of the Indian Government.

The point I wish to bring to your attention is this, namely, that in stating what you consider to be the opinion of the Indian people

you state quite fairly one side of the question. On the other side, we ought to bear in mind that the Government which was responsible did think those measures were necessary in the interests of good government?—Of course, I do not dispute that.

And, therefore, there is something to be said upon the other side; without holding that that is a complete answer, I bring before you the fact that there are two sides to the question?—Yes.

I think you notice in one or two passages of your statement, a number of what appears to you to be errors on the part of the Indian Government. You speak of the wasteful nature of railway contracts; the extraordinary help given to certain irrigation companies, the grants made by way of compensation allowance, and so forth. Well, I believe in each of those cases the Indian Government have arguments which it would oppose to your view that these were all cases of wasteful expenditure; but even granting for the moment that they were so, is it not the case that all Governments make mistakes; and supposing that India was entirely free from British domination, do you not think that they would be liable to and would commit mistakes of the same kind?—I do not question the motives of the Indian Government; I do not even say that no other Government ever commits mistakes in that way. All I say is that, if there had been better control, those mistakes would have been possibly minimised, if not absolutely avoided; my point is that.

Then, next, would you give us your views on the machinery as it exists at present?—The spending authorities in the matter of Indian expenditure are the Provincial Governments, the Government of India, and the Secretary of State in Council (to which we must also add the Secretary of State in the Secret Department.)

Would you explain what you mean by the Secretary of State in the Secret Department?—The Secretary of State in the Secret Department might send out orders to the Government of India without the knowledge of his Council, and these orders might ultimately entail very large expenditure; therefore, practically, he orders that expenditure, and I look upon him in that sense as a spending person.

(*Sir Donald Stewart.*) Can you give any examples of that?—Yes; this Afghan war, for instance; the orders in connexion with the Afghan war were sent direct by the Secretary of State to the Government of India.

Any more recent ones?—I believe that it is relevant, but I am not quite sure, because the point is not in connexion with expenditure—but I believe tariff legislation and things of that kind have been ordered from here.

But you refer to expenditure?—Yes, I refer to expenditure. Well, it is so difficult to say, because the proceedings of the Coun-

cil are not available to us ; but, as we know from the constitution of the Council that the Secretary of State can send out orders, I am pointing out a defect in the constitution.

When you speak of the Afghan war are you referring to the 1879 Afghan war ?—The 1879 Afghan war ; the first Afghan war was also ordered by the Board of Control, as far as I understand.

(*Sir Andrew Scoble.*) When you speak of the Secretary of State in the Secret Department, do you mean to assert that there is any Secret Department in the Indian Office, or that the Secretary of State, when he acts in the way that you describe, is acting as the mouthpiece and organ of the British Government ?—Yes, that is what I mean, without the knowledge and sanction of his Council.

And of the British Government ?—Of course with the knowledge of the British Government, but without the knowledge of the Council.

(*Sir Donald Stewart.*) But that is not quite correct ?—I am open to correction ; but this is the opinion that I have formed after reading what literature has been available to me on the subject.

(*Mr. Courtney.*) Is it without the knowledge of the Council, or without the assent and concurrence of the Council ?—Without even the knowledge of the Council he can send orders ; if he marks a despatch as confidential or secret, the Council cannot see it.

(*Sir James Peile.*) Can he send it without the knowledge of any of the Council ?—It is so difficult to say ; he may, if he likes, show it to some.

You do not know ?—I do not know.

You should not be so positive then ?—I believe the Council means the whole Council ; and if only one or two members see it, that is not the Council seeing the thing.

(*Mr. Naoroji.*) That is at the discretion of the Secretary of State ?—The Secretary of State.

(*Chairman.*) But do you found your opinion of this power which you attribute to the Secretary of State upon any clause or section in the Act of Parliament regulating the Government of India ?—Yes ; this power that the Act gives to the Secretary of State to mark a despatch as confidential, and then send it on without the knowledge or cognisance of the Council, that is what I have in view.

And that, you say, is actually contained in the Act itself, is it ?—Well, that is my impression.

(*Sir Donald Stewart.*) As I gather from the witness, he is referring to orders that may be issued in the Secret Department, which cause expenditure.

(*Chairman.*) That I understand?—Orders, which ultimately may lead to expenditure, not immediately.

(*Sir Andrew Scoble.*) Either directly or indirectly?—It may only be a course of policy or a course of conduct which immediately may not involve expenditure, but in the long run it may make expenditure inevitable.

Can you give any instances of what is in your mind when you say that, because if there were an order to take military proceedings, which is one case that you have mentioned, that would involve immediate expenditure, would it not?—It is so difficult for us to say definitely, because we do not see the proceedings of the Council; but I have such a case as this in mind, for instance, the Secretary of State wishes that the British Government should send an embassy to some place outside the limits of British India; well, if he marks that despatch as confidential, it need not come before the Council and the Council need not see it. However, the sending of this embassy may ultimately bring the country into difficulties that might lead to war.

Have you in your mind any concrete case of the kind?—Well, I think the consul that was sent to Cabul in 1879 by the Government of India; that was in consequence of instructions which Lord Lytton received direct from the Secretary of State.

That is your impression?—Yes, that is my impression.

(*Sir Donald Stewart.*) But in that case any expenditure that was involved in sending the embassy must absolutely come before the Secretary of State in Council, and be discussed in Council?—I thought that the mere sending of the embassy, if the despatch was marked confidential—

I gathered your argument referred to a question of expenditure?—Yes; but it is not direct expenditure.

And all expenditure has to be discussed in Council?—What I mean is that, if it directly involved expenditure, it would come before the Council, but, if it only ultimately may involve expenditure, it would not come before the Council necessarily.

No expenditure whatever can be sanctioned by the Secretary of State without the concurrence of his Council?—Yes, I know that; but he might order a line of policy which immediately may not involve any expenditure, but which ultimately may necessitate expenditure. It then becomes merely a question of policy.

(*Chairman.*) Perhaps you would go on; you were dealing with the controlling authorities, I think?—The controlling authorities at present are: the Government of India controlling the Provincial Governments, the Secretary of State in Council controlling the Government of India (the Council sometimes tries to control the

Secretary of State, but it is now much more dependent on him than it was once), and Parliament in theory controlling all. Now, in the first place, all this is purely official control, unless indeed, by a stretch of words, we regard the theoretical control of Parliament as to some extent popular. Real popular control, in the sense of control by the taxpayers, is, practically speaking, entirely absent from the whole system. There are, no doubt, the Provincial and Supreme Legislative Councils in India. But, so long as the budgets are offered for criticism only and have not got to be passed, and so long as the members are not allowed to move any resolution in connexion with them, they cannot be called controlling bodies in any proper sense of the expression.

Would you not allow that the free power of criticism is a real exercise of the power, I will not say exactly of control, but of check?—To some extent it may be a check, but it is not control; that is what I am saying. Of course, I admit that there is value, a great deal of value in these discussions. Secondly, I venture to think that even this official control, such as we have it, is, except in the case of Provincial Governments, of very little value from the taxpayers' point of view. The Provincial Governments are indeed controlled, and more than controlled, officially—they are, in fact, crippled. But as regards the Government of India and the Secretary of State in Council, where they are in agreement, their powers of incurring increased expenditure are almost unlimited; and unfortunately they are generally found to be in accord in matters in which the Indian taxpayer feels a direct interest, their differences being usually about matters for which he cares little or nothing.

Would you explain what you mean by "matters for which he (the Indian taxpayer) cares little"?—Well, I might take the case of the increase of the army. Now that was a question in which the Indian taxpayer felt a direct interest. The Government of India proposed, and the Secretary of State sanctioned, the increase by telegraph. I do not mean here to question anything that they do; all that I want to do is to point out that in matters which involve large expenditure they are generally found to be in accord.

But then you say that their differences are in matters for which the Indian taxpayers care little?—Yes. They may differ as to whether there should be so many officers in a particular regiment or not. They sometimes differ from one another in such matters, but we do not feel much interest in their differences. If they differed, that would be a safeguard, because then the Secretary of State would act as an appellate body.

I think you have mentioned, have you not, that, on one or two occasions, on important questions there has been a difference between the Secretary of State and the Viceroy?—Yes; and to that extent that was very valuable; but I wish that they differed oftener than that.

Still your statement is put very broadly; would you not make some qualification?—I have been careful, I think, my Lord. I have said, I think “their differences being usually about matters” —on rare occasions they do differ—but usually “about matters about which we did not care much.” Lastly, section 55 of the Government of India Act of 1858 is supposed to give protection to Indian revenues against their application to extra-Indian purposes; but it is now well-known how that section has failed to attain its object in practice. I will explain that later on.

Will you tell us what you consider to be the result?—The results of this state of things have been very unfortunate. Under the East India Company our revenues were certainly much better protected. The Company's government was, so to speak, a strong buffer between Indian interests and Imperial interests; and as Sir Charles Trevelyan has observed, it was often able to offer a successful resistance to the demands of the Queen's Government.

Would you explain a little more what you mean by the revenue under the East India Company being better protected; in what sense do you mean that?—Against the demands of the Imperial Government, the Government here at home. Sir Charles Trevelyan has given that in detail before the Fawcett Committee, and he says that it often happened that extra charges were attempted to be put upon India, and the representatives of the Company fought with the representatives on the other side, and generally they carried their point. I have taken the statement from Sir Charles Trevelyan's evidence.

And do you think that in the financial administration of India itself the East India Company was more economical than the Queen's Government?—I think so. I think they were much more economical. It might be mentioned that so far as possible they avoided extra taxation; that was a characteristic feature of pre-Mutiny finance; as far as possible, they avoided additional taxation.

But there was a good deal of extra taxation put on under the East India Company, was there not?—Not much. If the whole period of their rule were examined, it would be found that they generally adhered to the taxes that were already in existence; and that it is since 1837 that so many more taxes have been imposed upon the country. This point, also, is brought out very well by Sir Charles Trevelyan in that evidence.

Will you proceed?—The inquiry which Parliament used to make into Indian affairs every 20 years, in those days, and the spirit of jealous wakefulness which it used to exhibit on those and other occasions, were a further protection to Indian interests. With the establishment of the direct administration of the Crown all this has gone, and the administration of the Indian revenues is now practically entrusted to a Cabinet Minister, assisted by a

Council of his own nomination, a Minister who brings no special knowledge or experience of Indian affairs to the discharge of his duties, who, as a member of the Imperial Executive, naturally has an eye to Imperial politics rather than to Indian interests, and who is peculiarly liable to be swayed by the varying currents of English public opinion and other English influences. All financial power in regard to expenditure, executive, directive, and controlling—is centred in his hands; and with all these vast concentrated powers he has really no responsibility except to the Cabinet, of which he is a member and of whose support he is always assured, and to Parliament where he has a safe majority behind him in virtue of his position as a Cabinet Minister. The position virtually amounts to this, that it is the administration of the finances of one country by the Executive Government of another, under no sense of responsibility to those whose finances are so administered.

You say that all financial power in regard to expenditure is centred in his hands; are not the Council a check upon him in matters of expenditure?—Well, they are supposed to be a check; but I must say that we are not impressed by the way in which that check is exercised. Recently, for instance, there was an example in connexion with these Suakin charges. Two members, Sir James Peile and Sir Donald Stewart, protested, and the whole of India in fact was of the same opinion; the Government of India itself was of that opinion; and yet the Secretary of State was able to carry his point, so that practically he is supreme; the position comes to that.

But, though there was a protest made by two members of the Council, I gather from your statement that the remainder of the Council supported the Secretary of State?—That must have been so, I believe; that is also the inference I would draw.

And, therefore, that proves nothing to the effect that the Secretary of State has autocratic power in the matter?—Except this, that the members do not care to differ from him—perhaps I ought not to use that expression—but they generally are disposed to agree with him—the majority of the members. Well, that does not amount to an effective check.

Have you any reason for saying that the members generally agree with him?—That is what has been said by many men. Sir Charles Trevelyan notably said that he was hopeless of the Indian Council; “hopeless” was the expression that he used with all his knowledge. I mean to cast no reflection on any of its working, but that is the feeling in India. If the other members had taken the view that was taken by these two members, that would have been a good check.

But, of course, the other members of the Council may have been conscientiously of opinion that the step was the right one?—I

quite admit that; I do not mean to say that they must have done it against their conscience, but we deplored their vote all the same.

For years past we have been treated as a vassal dependency, bound to render services to the suzerain power and to place our resources, whenever required, at its disposal. As a result, millions upon millions have been spent on objects which have not advanced the welfare of the Indian people so much as by an inch—even the empty sense of glory, which is a kind of barren compensation to self-governing nations for such large expenditure of money, is not available to us as a consolation. And not only have these vast sums been thrown away in the past—thrown away, of course, from the Indian taxpayer's point of view—but, as a direct result of that expenditure, the country is now pledged to indefinite, and possibly vaster, liabilities in the future. And all this has gone on, while the expenditure on objects which alone can secure the true welfare and prosperity of the people has been woefully neglected.

You say that as a result millions and millions have been spent on objects which have not advanced the welfare of the Indian people so much as by an inch. Could you tell us what you have in your mind when you say that?—I have in mind the past expenditure that has been incurred on the Northern and North-Western frontier in connexion with the frontier Imperial policy. When I say that that expenditure has not advanced our welfare by an inch, I mean that in matters of education, in matters of domestic improvement, we are where we were, whereas this expenditure has been going on increasing.

Would you apply that criticism to all defensive expenditure—that it is thrown away?—It would involve a discussion of a question of policy, but my own view is, that the Government ought to have confined themselves to the natural defences that they had, and not have gone beyond the frontiers and incurred all this expenditure.

That is quite a legitimate opinion of your own, but it is only your own opinion?—Of course, I can state only my own opinion.

And, I think, when you and I are speaking across the table, we are neither of us military authorities, are we?—I admit that. But it is not our fault, I mean the fault of Indians like myself, that we do not see the military point of view just as the military people would like us to understand it; we are non-official critics, and all the information that is available to us we utilise.

But we must bear in mind, must we not, that, while the criticism is what I may call lay criticism, though it may be perfectly legitimate criticism, on the other hand, a different opinion has been taken by the military authorities, who are experts in the matter; and it would be a very grave responsibility for the Government to take, would it not, to neglect the warning of their

expert advisers in military matters?—Oh, I quite admit that; but there are even military experts who take the same view as we do. Colonel Hanna, for instance, has recently written three books, and in them he has said that the Government has made a great mistake in going beyond the frontier.

(*Mr. Caine.*) All that the witness said to you just now he would also mean to convey to the Commission, as the deliberate and unanimous opinion of all the Associations which he says he represents here. Would not that be so?—That is so.

There would be no difference of opinion on questions of frontier policy as expressed by you?—No difference of opinion amongst Indians, the Indian political Associations.

(*Sir William Wedderburn.*) And it is because Indian public opinion regards these expeditions as aggressive rather than as defensive that they object to them so strenuously?—That is so.

(*Mr. Courtney.*) Has any voice been raised by the Indian members of the Legislative Council against them?—Well, they protest occasionally. The non-official members of the Viceregal Council protest against charges; but there is no vote, no division, and it comes to nothing.

(*Sir Andrew Scoble.*) Do you remember any occasion of their entering such a protest?—Oh yes, I remember that two years back the Honourable Mr. Mehta, of the Bombay Presidency, protested very strenuously against these military expenditures.

Which expenditure?—The frontier military expenditure—Chitral, I think.

The Chitral expedition?—Against such expeditions as that; we say they were not necessary, they say they were necessary—and there is an end of the matter.

Then the protest, made two years ago, was made after the expedition was over, and the expenditure had been incurred, was it not?—When I mention Chitral, I mean expeditions like Chitral; the expeditions have been going on latterly rather too fast and I do not remember just now whether it was against Chitral or some other expedition that Mr. Mehta protested.

Surely, if you speak on behalf of these political Associations, and protests were made on their behalf in the Legislative Council, you can tell us what the precise expedition was, and what was the precise protest, can you not?—I should like to refer to the discussion before giving an answer to that.

(*Mr. Naoroji.*) Were there any independent, non-official, partially elected, members at the time of the Afghan War; that is rather a later arrangement?—Yes, that is rather a later arrangement.

And at that time there were none?—No, there were none.

They were all nominated at that time?—Yes.

(*Chairman.*) What defects do you consider to exist in the present arrangements?—The principal defects in the existing arrangements to which, in my humble opinion, these deplorable results are to be traced are two: (1) autocratic financial power practically concentrated in the hands of a member of the Imperial Executive without adequate securities for its due exercise; and (2) the absence of effective protection to India against financial injustice at the hands of the Imperial Government, there being no impartial tribunal left to appeal to for redress of such wrong, and no constitutional power to resist unjust demands.

Now, passing to the Council of the Secretary of State, are there any observations you have to offer to us?—When the Government of India was transferred from the Company to the Crown, the Secretary of State's Council was intended to be a check on him, and guarantees were provided for securing the independence of members. But these guarantees have, nearly all of them, been swept away by the amending Acts of 1863 and 1876. Under the arrangements of 1853 the members of the Council were to hold their office during good behaviour, and were not removable except on an address of both Houses of Parliament. They were thus placed in a position of dignified independence to exercise the important powers of control entrusted to them under the Act. The Act of 1869, however, profoundly modified this position of the Council. It provided that all appointments to the Council were thereafter to be made by the Secretary of State. The members were to hold office for 10 years only, and for special reasons, to be communicated by the Secretary of State to Parliament, they might be reappointed. These modifications at once lowered the position of the members, destroyed the independence of the Council, and virtually left the Secretary of State supreme in the direction of affairs. The Council was, in fact, reduced to the status of a subordinate consultative Board to be composed of the nominees of the Secretary of State, stripped of its original dignity and independence and left unfitted for the proper discharge of its high constitutional functions. The Act of 1876 empowered the Secretary of State to appoint three of the members for life, thus throwing additional power into his hands. The manner in which the Council is recruited is also open to the gravest objection. Nearly all the members are persons who have held high executive office in India. They cannot, as a rule, be unbiassed judges of the actions of their successors, for the simple reason that in their own time they had in all probability behaved in the same way. There are no representatives of independent Indian public opinion on the Council. Moreover, the machinery of the Secret Department enables the Secretary of State to order

a course of action which may practically render large expenditure inevitable, without the knowledge of his Council.

You are criticising the Act of 1869, and you point out that it provided that all appointments to the Council should thereafter be made by the Secretary of State ?—Yes.

By whom would you like the appointments to be made ?—Well, I do not object to the Secretary of State making the appointments as the Council is now constituted ; but the manner in which the Council is recruited is regarded as objectionable for this reason, that the class of men that are selected for it are generally persons who have occupied high executive positions in India.

We will come to that, if you please, afterwards. Just at the present moment I want to get your view as to the method in which the Council should be recruited. Your words would rather imply a criticism upon selection by the Secretary of State, and I wanted to gather how you yourself would prefer to see the nominations to the Council made ?—I would wish it made by the Crown.

By the Crown ; it would still be by the Secretary of State ?—It may come to that ultimately ; but there is a greater dignity felt, when the appointment is made by the Crown.

There may be a dignity in it being stated that the Crown makes the appointment ; but the Crown can only act upon the advice of the Secretary of State, and, therefore, the result is the same whether the appointment is made by the Crown or by the Secretary of State directly. I want to gather from you whether you acquiesce in the Secretary of State as the person who is to choose the members, or whether you had in your mind any other method of appointment ?—No ; my point was this, that men who are presumably to control the Secretary of State should occupy a certain position in regard to their appointment ; also I consider that there is greater dignity in the appointments if made by the Crown than by the Secretary of State.

(*Chairman.*) That is quite intelligible.

(*Sir Donald Stewart.*) But they are made by the Crown now.

(*Chairman.*) Are they ?—No, by the Secretary of State.

Then that confines your criticism really to this, that you would like the appointment of these councillors to be made by the Crown as adding weight and status to their position ?—Yes.

But, further than that, you do not contemplate any other method of appointment than by the Secretary of State ; in either case the Secretary of State would be the virtual appointer ?—I admit that.

(*Mr. Mowbray.*) Or would you mean the Prime Minister by "the Crown" ?—If that could be secured, that would be better ; I

think if the Prime Minister could appoint—if the Crown could appoint on the recommendation of the Prime Minister—that would be better.

Had you that in your mind when you said “the Crown”?—I was not quite clear that the appointments by the Crown were really at the instance of the Secretary of State; I had thought it was at the instance of the Prime Minister, but I took it from the Chairman that they are at the instance of the Secretary of State.

(*Sir Andrew Scoble.*) I understood you to suggest that the alteration of the appointments from “during good behaviour” to a limited period of 10 years was a great objection, in your mind, to the fostering of that spirit of independence, which you would like to see in the Council of the Secretary of State?—Yes, that is so.

(*Chairman.*) You speak as if the Act of 1869 modified the previous practice. Before 1869 do you consider that the members of the Council were nominated in a different manner?—Yes, they were differently appointed. To begin with, out of 15 members eight were appointed by the Court of Directors.

(*Sir Donald Stewart.*) Would you read that? (*Handing copy of Act to witness*)—This is the Act of 1858, but I am speaking of the Act of 1869.

The same form in practice still exists?—Under the first Act the appointments were to rest with the Crown, but the Act of 1869 provided that they were to be by the Secretary of State. I think Sir James Peile supports me in that, that the present appointments are by the Secretary of State.

(*Chairman.*) But, going back to what I was saying before, was not the old practice applicable to nominations to be exercised once only? The Act, I presume, contemplated that all new nominations would be made as they are made now?—The vacancies among those seven members were to be filled by a sort of co-optation, while all vacancies in the eight members were to be filled by the Crown.

And therefore you look upon it that at the beginning, under the original Act, the idea was that a certain number of the members for all time would be co-opted?—Yes; after the first nomination they would be co-opted.

Should you maintain that the Act of 1869 was a definite change in that respect, inasmuch as it vested the whole of the nominations in the Secretary of State?—Yes, that is what I mean.

(*Mr. Courtney.*) And do you think that that change in itself was one for the worse?—In this way, that the controlling body became more dependent upon the Secretary of State, and lost some part of its first dignity.

It would be no more dependent, when once appointed. A member of Council was as independent of the Secretary of State, after appointment, after 1869 as before?—The Secretary of State has also got the power of re-appointing after 10 years, which was not possible before.

Because formerly a member of Council was appointed for life?—Yes.

Do you think that it was desirable that the original appointments for life should have been maintained?—My own opinion about the Indian Council is that after all it would be an advantage to have short term appointments only; but we are talking at present from the point of view of control, and, so far as that goes, the change was for the worse, because the body became less independent.

You think a member of the Council, looking to the chance of having his tenure prolonged, is more dependent on the Secretary of State?—Well, I would not put it quite so strongly as that; but it makes a change.

In what other respect is there dependence?—If there is no suggestion of dependence in that, why have they made the English Judges independent? They all feel that appointment for life secures better independence.

But, supposing with respect to English Judges the law were altered so as to require them to retire at 70, which many people think would be desirable, would that affect the independence of the English Judges?—That would not; but if any Judge could be re-appointed after he was due to retire, well, that would to some extent have a tendency to affect his independence.

(*Sir Andrew Scoble.*) Have you ever heard it suggested that the prospect of a Judge getting transferred to the Court of Appeal, or to the House of Lords, is considered by some people in England rather to diminish his independence?—Well, I have read of that, but I am not qualified to express an opinion.

You have heard that that argument has been used?—Yes, but I am not qualified to express an opinion upon it.

(*Chairman.*) Then I do not take it that you condemn the principle of only appointing for a period of years in itself?—That has become inevitable now, I think; in any subsequent changes that might be made I think that has become inevitable. I would even go so far as to reduce the period from ten to five years, because circumstances are changing so fast in India now that even ten years is too long a period.

(*Mr. Courtney.*) From ten to five years without possibility of prolongation?—Without possibility of prolongation.

(*Chairman.*) Can you tell us whether the members of the Council have often been re-appointed for ten years?—I believe recently there was an example, though in that case we all felt that it was a very proper re-appointment—it was in the case of Sir Donald Stewart. We all felt that it was a very proper re-appointment; but the power is there; I do not say that the power has not been properly used, but the very fact that the Constitution gives that power to the Secretary of State shows some weakness in the Constitution; that is my point.

Well, then, you say that it is an objection to the present system that so many of the persons appointed to the Council have held high office in India, and I understand you to think that that diminishes their power of useful independent criticism?—Well, executive offices I mean.

Yes, high executive offices; and I suppose what you mean by that is that that diminishes their power of exercising independent criticism?—Their opinions are already formed on the subjects that are likely to come before them, and they do not make quite impartial judges of things that are going on in India.

But, on the other hand, do you think it would be an advantage if the Council of India consisted of people who had no knowledge of India?—In a very short time I believe they might qualify themselves for that. It would not be a very great difficulty; besides, you might have judges from India. What I object to is persons who have been members of the Viceregal Council. There was a case, for instance, some time back brought to light. General Strachey had advocated the narrow-gauge system in India—in fact he was looked upon as the author of that narrow-gauge system—when the question was before the Supreme Government. The question afterwards came before the Secretary of State. General Strachey himself by that time had come into the Secretary of State's Council, and naturally, being a great expert, his voice prevailed over everybody else's. The same man who was responsible for the introduction of the narrow-gauge system, also ultimately approved of that system. I only want to point out that the opinions of these gentlemen are formed quite definitely, and they are not likely to form very impartial judges; I mean they are not likely to see the other side.

But a Council constituted like the Council of India would be perfectly alive—as much as you or I would be—to this danger of leaving any officer to determine—what I take to be your meaning—in his own case personally. The Council would be quite as able, I think, as anybody else to discount that danger, would they not?—It depends. When a person is a very strong person he is able to make an impression on his colleagues, and make them see just as he sees.

Of course it is then within the bounds of possibility that such a person might be right, is it not?—Oh, perfectly so; I do not say he was not right; I only say the control is not then properly exercised.

Do you not think in the body of the Council, independent gentlemen—independent of such a person at all events—are quite able to discount, to appreciate this danger which you point out, and to guard against it?—In such technical matters it is an expert, whose opinion carries a great weight naturally.

Not necessarily a predominant weight?—No, not necessarily a predominant weight, but it would almost look like it. I myself should be very much influenced by an expert's opinion.

Naturally?—Naturally.

(*Sir Andrew Scoble.*) But you would not expect a man to give up the honest opinions he had formed during a long period of service in an executive office, simply because he happened to be placed in the Secretary of State's Council?—I do not; I know they would all stick to their opinion. That in itself constitutes a sort of incapacity to see the other side.

If they all stuck to their opinions, would you not get that friction which is so desirable in a body like the Council of the Secretary of State, so as to secure the expression of opinion on both sides?—I do not know how that friction would be secured, because they are all moulded more or less in the same groove and see things in the same manner.

Would it not lead to the conclusion that they were right, if they all agreed?—The Government of India, or the Secretary of State in Council would have to be regarded as infallible if we were to argue like that.

(*Sir William Wedderburn.*) In that case of the adoption of the narrow-gauge system, there was very nearly universal public opinion, European and Native, against it in India?—That is how I understand it to have been.

(*Sir Andrew Scoble.*) That was not the case, because there was a great division of opinion upon that question of the gauge. But there was a very important opinion on the other side.

There was a very important body of opinion, as I recollect, on both sides?—Of course, since General Strachey was able to carry his point, it must have been that he was strongly supported.

I feel bound to say that I was a strong supporter of the broad-gauge system myself. I know there was a very great and important and valuable body of opinion on the other side?—I am pointing out what struck me as the defects in the constitution itself; though, sometimes, the defects might exist, yet the constitution

might work better ; but that does not mean that the defects themselves are not to be found fault with.

(*Chairman.*) Dealing with that question of the constitution of the Council, I would like to learn a little more fully from you whether you do not see a risk in a Council composed of people who have had no experience of India?—If judges, for instance, were put on the Council, they would bring a general knowledge of India to the discharge of their duties ; and I have such faith in an Englishman's sense of duty, that I believe that in a short time they would qualify themselves for the work, and they would be more impartial men.

And would the Council that you think it would be advisable to form, consist altogether of Indian judges?—I only gave an example ; there might be non-official leading Anglo-Indians upon it, and they might also appoint some men on the recommendation of the Legislative Council, of the representative members of the Legislative Council.

You do not mean that you would put on the Council, Englishmen who had never been in India?—I would put some of them also, because they would be able to see things from a different standpoint ; even now, I believe there is some provision like that.

(*Sir Andrew Scoble.*) There are some?—There are some even now.

There is an Indian judge on the Secretary of State's Council, is there not ? Sir Charles Turner, lately Chief Justice of Madras?—I would strengthen the judicial element, and reduce, if not altogether abolish, the executive.

(*Chairman.*) Do you not think there is a great advantage in the Secretary of State having at hand men who have held very high executive office in India, who are able to give him the benefit of their experience?—The real Government of India is in India, and ought to be in India. So far as general questions are concerned, it is only when questions are referred to the Secretary of State that the Secretary of State has to take cognizance of them ; and I believe that, if judges and such other persons as I have mentioned qualified themselves properly for the discharge of their duty, they would assist the Secretary of State quite as well as the present executive members.

In your definition of the position of the Secretary of State, you observe there are very important questions that would be referred to the Secretary of State?—Yes, sometimes.

And you do not think it desirable that he should have at hand officers who know something of the circumstances under which the questions have arisen, and who are able to advise him from their knowledge of Indian opinion and of Indian tradition ; you would

leave him on those points to form his unaided judgment? I grant you that you have spoken of Indian judges being present; but the Indian judges, I understand, have not got the administrative experience that many of the present members of the Council have?—That is true; but under the present system it comes to this, that men who are responsible for things in India, themselves in course of time come to be members; and they, therefore, cannot be expected to condemn what they themselves have done before.

(*Sir William Wedderburn.*) You attach more importance to impartiality than to special knowledge of the subject?—I do.

Because the matters that come up before the Secretary of State are generally in the nature of an appeal against some action of the Executive in India?—Yes.

And you do not wish those who have been the authors of these executive acts to come and sit afterwards in appeal upon those acts?—That is precisely my view.

(*Mr. Courtney.*) I should like, before you conclude this part of your subject, to get some definite idea from you as to how you would wish this Council of the Secretary of State to be constituted; how many members would you like to have?—They have at present reduced the number to, I think, 10 members, and it might very well so remain. Each of them might hold office for five years or so—I would not put the thing quite definitely—only say five years or so.

Wait a moment; five years or so? Are you clear about that?—Well, I think so.

Do you think 10 years too long?—Well, I think it is rather too long; that is my view.

Next you would like to have them appointed nominally by the Crown?—By the Crown.

The appointment by the Secretary of State means the same thing?—If it comes to the same thing, well, there is no help; but there would be a greater dignity in the position.

You would have none appointed by any other authority than the Crown?—Well, the ultimate appointment should be by the Crown; some of the members should be appointed on the recommendation of the members of the Indian Legislative Council.

Of the representative members of the Supreme Legislative Council, I suppose, in India?—Yes, that is what I mean, the Supreme Council; but it all depends on how many members you give.

Suppose you take the allotment of three as you suggest?—Well, the representative members of the Supreme Legislative Council might nominate them.

Might nominate three?—Might nominate three.

(*Sir Andrew Scoble.*) By the "representative members" do you mean the non-official members generally, or only a certain class of non-official members?—The non-official members who are appointed on the recommendation of certain bodies.

Not those who are nominated by the Viceroy?—No, because that means Government nomination pure and simple.

Then how many members of the Viceroy's Council are there who fulfil that condition that you have named?—I believe there are seven or eight now.

Eight; and you would allow those eight to elect three members to the Secretary of State's Council?—But each member has behind him another electorate.

I did not ask you whom they represent: but you would allow these eight members to appoint three members of the Secretary of State's Council?—Well, I would, because there is no other machinery that represents India as these eight members do.

(*Mr. Courtney.*) It would not work out in your scheme that the eight would appoint three straight away? I mean, when it came into full operation, there would be a vacancy every two years or something of that kind?—It would be that.

You would have an appointment made by the eight members of this year, and the eight who would appoint two years hence might or might not be the same and partly different, and so on?—Yes.

That would amount to three out of the ten. Would you allow the Crown to have any vote on that nomination?—Oh, of course, the Crown must have the power of veto on that nomination.

The recommendation would be accepted, or not, by the Crown?—Yes.

You would expect it to be accepted as a rule?—That is what I mean.

With reference to the other seven, do you lay down any restriction as to the classes from which they would be chosen?—I did not expect to be asked to place before the Commission a definite scheme, but I should think that there should be three Indian judges; that is how it strikes me now; about three members might be Indian judges.

Three ex-judges out of seven?—Three ex-judges. Yes. Then if the members are ten there should be two Englishmen who have never been out to India, and two other persons who have been in India; they might belong to the Executive, or they might not belong to the Executive. I would not absolutely shut executive officers out.

You would reduce the representation of the Executive machinery of India to very modest dimensions?—That is because I feel our grievance is against them—not against any of the individual members, but against the system which makes them the judges of their own acts.

You say you are not expected to answer these questions, but, as far as the Government at home is concerned, it seems as if in your mind the efficiency of the control depended upon the composition of this Council?—Yes.

Therefore it is very important to have some idea—not a rigid one, but some idea—of the way in which you would like that Council to be constituted?—As a matter of fact, I do not expect that this Council would be modified in any way, or, at any rate, that there would be much modification in the constitution of this Council; but I have proposed a committee afterwards which would be a more effective committee of control; I attach more importance to that.

Who should be in London?—Who should be in London.

(*Sir Donald Stewart.*) Lord Welby, the witness is right in saying that the appointments to the Council here are made by the Secretary of State, but the Secretary of State's appointments are as heretofore, submitted to Her Majesty for approval before they are published; that is the procedure, I believe.

(*Chairman.*) But the appointment does not actually state that it is made by the Queen?—Under the Act it is made by the Secretary of State; the names are submitted to Her Majesty for ratification.

(*Mr. Mowbray.*) Is that under the original Act?

(*Chairman.*) No; that is under the Act of 1869. Now then, perhaps, we will pass on to the point of the Government of India and the Finance Member?—Subject to the control of the Secretary of State, which often is only nominal, the Government of India can administer the Indian revenues practically as they please.

Would you let me just interrupt you there. I have some difficulty in reconciling that statement with what you have just told us; when speaking of the Secretary of State, you said the administration of the Indian revenues is now practically entrusted to a Cabinet Minister, assisted by a Council of his own nomination—a Minister who brings no special knowledge or experience of Indian affairs to the discharge of his duties, who, as a member of the Imperial Executive, naturally has an eye to Imperial politics; that all financial power in regard to expenditure—executive, directive and controlling—is centred in his hands, and that with all this vast concentrated power, he has really no responsibility except to the

Cabinet of which he is a member, and of whose support he is always assured, and to Parliament where he has a safe majority behind him. I have some difficulty in reconciling that with your statement when you say "subject to the control of a Secretary of State, which is often only nominal"?—What I meant there was that that was the theory of the subject, and that in regard to any general questions of policy which involve large expenditure, the voice of the Secretary of State prevails; but, subject to that, in all ordinary matters the Government of India is practically able to count upon the assent of the Secretary of State. As a rule the Secretary of State adopts the views of the Government of India.

Then ought not your first statement to be made with some qualification, because it leaves us under the idea that the Secretary of State has the power of an autocrat in the matter of finance?—But the Constitution gives him that power, and how the Constitution is worked must depend upon the circumstances. I am now dealing with the actual working of the Constitution, but the Constitution gives, in the first place, those vast powers to him.

But should you not rather have stated it with that qualification, because I think anybody reading what you have stated to us would be under the impression that—I think these are your own words—the sole autocrat in Indian finance is the Secretary of State. Now it appears from this that you qualify this considerably in practice?—I would qualify my former statement by saying that under the Constitution he is so.

Would you go on?—The testimony of Sir Auckland Colvin and Sir D. Barbour on this point is of great importance. Sir A. Colvin was careful to point out that the present weakness of the Finance Member's position dates virtually from 1885. That being so, it is evident that the dissent of Lord Cromer, as also of Lords Northbrook and Ripon, from his and Sir D. Barbour's view is beside the point. It is true that Lord Lansdowne and Lord Roberts also do not endorse the view of the two Finance Members. But this was only to be expected, seeing that they themselves are the party against whom the complaint is directed. When Sir A. Colvin and Sir D. Barbour say that with the Viceroy on his side the Finance Member is as strong as he ought to be; and when they complain of the weakness of his position during their time, the only inference to be drawn from that is that the Viceroys under whom they served, viz., Lords Dufferin and Lansdowne, were not of an economical turn of mind; and, of course, we cannot expect Lord Lansdowne to concur in that view.

But, if it is the case that there has been a change of policy since 1885, it is quite possible that that change may have been necessary, is it not?—That view may be held on the other side; it is open to them of course to say that.

I mean, is it patent on the face of it that the Viceroy must have been wrong and the Finance Member right?—But I am expressing what is the non-official view of the matter ; the official view of course, we know, is that it was necessary.

But, official view or non-official view, it does not really matter. It is sufficient to say that, when the Finance Member differs from the Viceroy necessarily the Viceroy must be wrong?—Oh, I do not say that ; but the presumption is that the Finance Member, being a member of the Executive Council, would not oppose a thing, if it were really necessary, merely on financial grounds. I would be disposed to attach something of extra importance to the opinion of the Finance Member.

That is attaching a very great weight, is it not, to the superiority of financial knowledge in the Council?—But that is because he occupies a unique position ; he knows what the executive needs are, and he knows also what the country can afford. The other members think rather of the needs, as they take them to be, than of the finances.

Then how would you sum up the question?—The whole position may be thus summed up : (1) The buffer of the Company's Government which fairly protected Indian interests is gone, and there is no effectual substitute ; (2) We have no effective constitutional safeguards against the misapplication of our revenues to extra-Indian requirements ; (3) The control vested in the Council of the Secretary of State under the Statute of 1858 is rendered almost nugatory by the alteration of its status under recent amending Acts. The mode of recruiting the Council is also radically faulty ; (4) The control of Parliament, as against the Secretary of State, has become entirely nominal, owing to the latter being a member of the Imperial Executive, with a standing majority behind him. The old periodical inquiry by Parliament and its jealous watchfulness are gone. In fact, we have at present all the disadvantages of Parliamentary Government without its

advantages. In the case of all departments except the Indian, ex-Ministers think it their duty and also feel it to be their interest to exercise the closest watch on the proceedings of their successors with a view to passing the most adverse criticism that may be possible. In regard to India alone, ex-Ministers vie with and sometimes even go beyond their successors in extolling all that exists and all that is done. The responsible opposition in this country thus abdicates its functions in the case of India only.

When you speak of the old inquiry by Parliament, I presume you refer to the inquiry which took place at intervals of 20 years into the constitution of the Company?—Yes, at the time of renewing the Charter.

And you think that that was a valuable method of inquiry, which brought the whole question of the government of India before Parliament?—Yes.

But since the abolition of the Company in 1858, have there not been a great number of inquiries by Parliament into different branches of Indian expenditure—especially finance?—Yes, there have been; notably the Fawcett Committee, which came 20 years after 1853, and then this Commission, which comes 20 years after that; I know that, but there is such a great amount of trouble in getting these committees, and of course there is no constitutional safeguard that they will be readily granted.

The difference that you speak of lies in this, that, under the Charter of the old East India Company, these inquiries necessarily took place at the end of certain periods; under the present system you may have inquiries, probably equally valuable inquiries, but you have no security as to when, and under what circumstances they will take place; is that it?—That is so, and there is another point also. In those days inquiries were made into the whole administration, while now generally certain points are specified. For instance, this Commission can inquire into expenditure, and not into revenue; there is that difference also.

There is another way of looking at that; if you appoint a Commission to inquire into everything connected with the administration, you generally find that from mere want of time it is obliged to slur over a good deal of its work. Do you not think there is a good deal to be said for appointing a Commission with a definite and more or less limited object; is it not more likely to get satisfactory results?—I quite admit the force of what your Lordship says, but there is this much on the other side, that the people could lay all their grievances before such a Commission, if it was a general one; and the fact that Parliament ordered these general inquiries before shows that they were alive to the importance of that consideration.

(*Sir William Wedderburn.*) And was it not a great point in those inquiries that the renewal of the Charter depended upon the Company showing that they had done good work?—Yes, that was so.

And that, previous to the inquiry, the Government of India was very anxious to put its house in order in every department?—I believe it was.

So that there was not so very much to find fault with by the time they came and asked for a renewal of their power?—I should presume that was so.

But now the officials know they have a permanent position, and they do not care much about public opinion in India?—Yes.

(*Chairman.*) You have drawn a distinction between the action of ex-Ministers when dealing with Home affairs and with Indian affairs, saying, with regard to India, that ex-Ministers vie with, and sometimes even go beyond their successors, in extolling what is done. May I ask, do the facts really bear that out? If we take the case of the cotton duties, I think we heard ex-Ministers extremely critical upon the conduct of Ministers who were responsible for the cotton duties?—But, my Lord, there was this distinguishing circumstance: The Government of India and the Secretary of State were not in agreement, and, therefore, those that were connected with the Government of India before, naturally took the side of the Government of India; but in connexion with the recent debate, for instance, on Sir William Wedderburn's motion, Lord George Hamilton was not, if I may say so, quite able to put the case about famine insurance from the official side as strongly as Sir Henry Fowler did—well, in no other department do ex-Secretaries come to the rescue of the Secretary of State quite in that fashion; that is what I mean.

You make your statement rather sweeping, in drawing this distinction between the action of ex-Ministers in regard to English and in regard to Indian affairs. I have no doubt such a case as that you have mentioned could be adduced; but, on the other hand, I point out to you that Ministers received very severe criticism in Parliament on account of the cotton duties; and I might give you an instance on the other hand: there was a severe criticism on the actual Ministers in respect to the Dongola expedition—I am not saying in the least whether they were right or wrong?—It again comes under that category which I have mentioned, namely, when there is a difference between the Government of India and the Secretary of State.

I do not see the connexion between that case and that of which we are speaking. All I say is, that there is no kind of conspiracy of conduct between Ministers and ex-Ministers in regard to Indian affairs?—I do not say there is any conspiracy.

That is my own word?—But there is no interest felt practically by the ex-Minister in criticising the proceedings of his successor. In regard to the English Budget, for instance, item by item there is a furious contest; whereas the Indian Budget is all passed or discussed in a few hours with empty benches, nobody feeling the slightest interest in the matter.

(*Sir William Wedderburn.*) But in the case of the cotton duties, to which the Chairman referred, I do not think Sir Henry Fowler proposed to take any action in the case until the end of the Session, when it was all settled and too late?—That was so.

And I do not think that he gave any assistance whatever, but rather was opposed to the motion with regard to the cotton duties

which was made in the course of the session?—Yes; my point was that in the other departments ex-Ministers have a direct interest in discrediting the work—if I may use such a very strong expression—of their successors, showing up to the country practically that its affairs are not administered quite so well as they were by themselves. In regard to India there is no such motive.

(*Chairman.*) My outside experience leads me to believe that ex-Ministers are quite as ready to criticise their opponents in the Government in regard to India as in regard to any other matter?—I thought it was a sort of official etiquette not generally to oppose Ministers in regard to Indian matters.

To resume :—The Government of India, as at present constituted, cannot be much interested in economy. Almost all internal administration having been made over to the Provincial Governments under the decentralization scheme, questions of foreign policy, large public works and military questions absorb almost the whole attention of the Government of India. Further, the Finance Member excepted, every other member of Council, including, since 1885, the Viceroy, has a direct interest in the increase of expenditure.

Well, in all Governments there are heads of departments, who are interested in expenditure; that is not a peculiarity of the Indian Government?—But in India they are not afraid of the taxpayers, whereas in England they are afraid of the taxpayers, the control of the House of Commons being so effective.

It has been represented to us that, though they are not afraid of the taxpayers, at the same time heads of department are aware that extravagant expenditure will necessitate increase of taxation, and they are aware that that is a serious matter?—Yes, but in England they have also to face a formidable opposition in order to pass their measure, whereas in the case of India there is no such thing.

Neither in England nor in India is there the salutary check of public opinion on the financial administration. Parliament is ill-informed and even indifferent. And the Supreme and Provincial Legislative Councils are simply powerless to control expenditure, since the Budgets have not to be passed, and no resolutions in reference to them can be moved. Coming to the question of remedies, I think it is, in the first place, absolutely necessary that the Indian Budget should be passed item by item in the Viceregal Legislative Council. Government may retain their standing majority as at present, and that means an absolute guarantee that no adverse vote will ever be carried against them. We have no wish to see the Government of India defeated on any point in the Supreme Legislative Council, but the moral effect of recording and, so to say, focussing by means of divisions non-official disapproval of certain

items of expenditure will, I expect, be very great. It must be remembered that, while large questions of policy can be discussed and settled with advantage only in this country, the details of Indian expenditure can be criticised effectively and with the necessary amount of knowledge only in India. I would also provide that, when a certain proportion of the non-official members of the Supreme Legislative Council, say more than half, are of opinion that the voting of a particular sum by the Council is prejudicial to Indian interests, they may, if they please, draw up a statement of their case and submit it through the Government of India to a Committee of Control which, I venture to suggest, should be created in this country. The creation of such a Committee of Control is a matter of the most vital importance. A Standing Committee of the House of Commons has been suggested, and would, I think, do very well.

You think a Committee of the House of Commons would do very well, although it belongs to a body that you have described as ill-informed, and even indifferent to Indian affairs?—But when certain members are specifically appointed to undertake a specific duty, I do expect that they will qualify themselves for that duty; or the Judicial Committee of the Privy Council might be entrusted with the work; or even the Arbitration Committee which now seems likely to be created might do for this purpose. And the duty of reporting to Parliament from time to time on matters of Indian finance might be assigned to it. But whatever the form, the Committee should have absolutely no powers of initiating expenditure, else, like the old so-called Board of Control, it will do more harm than good. The Committee should take cognizance of all appeals addressed to it by the non-official members of the Viceroy's Council, and might also call for papers of its own accord, and exercise general control over the administration of Indian expenditure. The proceedings should be reported to Parliament from time to time. If some such body were called into existence, the mere fact that non-official members will be in a position to appeal to it, thereby putting the Government of India and the Secretary of State on their defence, will have a tremendous moral effect, which will make for economy and sound finance in a very striking manner. There is nothing in this which will in any way affect the directive and executive powers of the Secretary of State or the Government of India. The plan provides only for a reasonable amount of control and will enable the representatives of Indian taxpayers, who have no powers of controlling expenditure, to make a complaint in a responsible and constitutional manner.

You say that there is nothing in this plan that will in any way affect the directive and executive powers of the Secretary of State or the Government of India; but you are vesting in the non-

official members of the Supreme Legislative Council a power of appeal to an outside body, which should on that appeal criticise, and report to Parliament on the acts of the Executive. Now, without saying whether that would contribute to good government or not, it would be a very considerable interference with the executive power of the Secretary of State, would it not?—It would be this way: the Secretary of State or the Government of India might sanction a certain expenditure. This body might ultimately pronounce that the expenditure was not proper. The expenditure would have been incurred already; there would be no help so far, but it would have its effect afterwards.

Yes; but still, that power of a committee to report hostilely on the Secretary of State's action must be held to affect the executive power of the Secretary of State. It is an interference, surely, with the method in which the Secretary of State exercises his duties?—It would be a sort of control, and that would be necessary; but I do not see how it would be interference with his administrative work.

The Government would have an outside committee reporting upon their acts. It is very true it might not prevent the Secretary of State from giving an order, but it would be a very serious check upon him, which is no doubt what you seek. So far as it exercises that check upon him, it is an interference with his powers, do you not think so?—But your Lordship has already dwelt on the great importance of the effect of the independent audit. Now, arguing as you are now doing, might it not be said that that audit is an interference with the work of these Ministers? The audit would point out any irregularity, and that would be a sort of—

The independent audit merely reports whether the expenditure is in accordance with the law, or with Government orders, which are equivalent to law. In this case, as I understand it, the non-official members are to criticise the policy, and this Committee of Control is to report to Parliament on the policy of the Secretary of State. That is not the same thing as seeing whether the expenditure is legal or not?—The Committee would not veto the action of the Secretary of State or of the Government of India, but they would only report to Parliament.

(*Sir James Peile.*) Would they take evidence?—Yes!

And put the Government of India on its defence?—The Government of India would draw up a statement and send it up to that Committee; and, if the members wanted any more information, they might call for it; but we must really have some control of policy of that kind.

Thirdly, I would next suggest that, as a rule, the Council of the Secretary of State should be recruited from persons unconnected

with the Indian Executive, and that a reasonable proportion be appointed on the recommendation of the representative members of the Indian Legislative Council.

(*Chairman.*) Is that the Council you are speaking of now?—No, it is the Secretary of State's Council. I do not disturb the Council very much.

Fourthly, I would suggest that section 55 of the Government of India Act of 1858 be amended. This section, as it stands at present, enacts that "except for preventing or repelling actual invasion of Her Majesty's Indian possessions, or under other sudden and urgent necessity, the revenues of India shall not, without the consent of both Houses of Parliament, be applicable to defray the expenses of any military operation carried on beyond the external possessions of such frontiers by Her Majesty's forces charged upon such revenues." Now, this only safeguards the controlling powers of Parliament, and does not provide, as is commonly believed, against the diversion of our moneys from their legitimate use, the only thing secured being that the sanction of Parliament shall be obtained for such diversion. No doubt this is good, as far as it goes, but it is not sufficient, and I would press for an express and absolute statutory provision, giving us a complete guarantee against the misappropriation of our revenues for purposes unconnected with our interests. I therefore beg to suggest that section 55 of the Government of India Act of 1858 be so amended as to provide that, except in case of actual or threatened invasion, the revenues of India shall not be used for military operations beyond the natural frontiers of India, unless, at any rate, a reasonable share of such expenditure is put on the English estimates. I would further suggest that the frontiers of India should be definitely declared by statute, and should not be liable to extension without statutory amendment.

Then your proposal would be that these frontiers having been defined, under no circumstances should India contribute towards any operations outside those frontiers unless a part of such expenditure is put on the English estimates. For instance, supposing it was a question of maintaining the independence of the Suez Canal—that is beyond the frontiers of India—I take it your law would not prevent the Government of India from contributing to the operations necessary for that purpose, provided always that the English Government took a share?—It would come to that.

Fifthly, I would urge that the elected members of the Legislative Councils of Madras, Bombay, Bengal, North-Western Provinces, and now Punjab and Burmah, be invested with the power of returning to the Imperial Parliament one member for each province. Six men in a House of 670 would introduce no

disturbing factor, while the House would be in a position to ascertain Indian public opinion on the various questions coming up before it in a constitutional manner. I may mention that the small French and Portuguese settlements in India already enjoy a similar privilege. Here, again, I rely more upon the moral effect of the course proposed than upon any actual results likely to be directly achieved. Though only six in number, the Indian members, acting unanimously on any Indian question, would adequately represent the state of Indian public opinion on the subject, and Government would have to take note of that. Indian representatives in Parliament would further greatly strengthen British rule in India by giving the Indian people a tangible and gratifying proof of India being really considered a part and parcel of a great and free empire.

You say truly that six men in a House of 670 would introduce no disturbing factor. Do you contemplate that these Indian members should have full voting powers; in fact, that they should vote our taxes?—Yes, I think so.

You see no objection from that point of view?—I see no objection.

Of course, if you had such members representing Indian interests, it would open the door to more interference on the part of Parliament with Indian affairs?—But these men by themselves would not do anything unless they were able to induce others to share their own views; that means something important, I think.

(*Sir Donald Stewart.*) How would you secure unanimity of opinion between the six?—I do not secure it. If they were unanimous on any Indian question, that would mean that public opinion in India was strong upon that point.

(*Mr. Courtney.*) Your proposal is that each one of the six should be elected by a separate electorate?—Yes. There are the Legislative Councils in the six provinces already elected by the people; and the members of the Legislative Councils should elect a member each.

(*Mr. Mowbray.*) Might those be either people sent from India or people in England?—Any people; I would impose no restriction.

With regard to the Portuguese settlements that you spoke of, are the elected members Portuguese residents in India who are sent over to Portugal?—I do not think there is any restriction; they can send whom they please; they must be men in their confidence, that is all.

(*Mr. Courtney.*) The French have representatives of all their colonies in the Legislative Assembly?—The colonies of England are self-governed, therefore they do not want representation in the

Imperial Government. We are the only dependency without any representative government, therefore we must be provided for either here or there.

Not quite the only dependency ; Ceylon may be much smaller, but Ceylon is a case ?—But Ceylon is very nearly a self-governing colony. Ceylon has its Council, which is much more representative than our Council ; it is nearly a self-governing colony.

(*Chairman.*) Your proposal is not for direct election of those members whom you would send to the Imperial Parliament ; they are to be chosen indirectly, as it were, by a college, namely, the members who have been already elected to serve in the Legislative Councils ?—Yes, that would be so. The great advantage that we would then secure is this : At present, private members take up the cause of India, but the officials come down upon them, and say, “ These are only self-constituted members for India ” ; these six Indian members will be men who are really representative of India ; and, if they are unanimous, that will be of great moral strength to us.

Have you any suggestions that you would like to make with respect to the Viceroy ?—Yes, there is one. The last suggestion that I have to make on this subject is that, as far as possible, Indian Viceroy should be selected from among men who have earned a distinct position for themselves for their grasp of intricate problems of finance. Among the first Ministers of England, no greater names can be mentioned than those of Walpole, Pitt, Peel, Disraeli, and Gladstone ; and all these men were great Finance Ministers. I know that men in the very front rank of English politics do not care to go to India, but all the same, if men noted for their knowledge of finance were induced to accept the Viceroyalty of India, the arrangement would produce decidedly beneficial results. It would be a great advantage to all if the Viceroy, instead of being his own Minister for Foreign Affairs, were to be his own Finance Minister. At any rate, his immediate connexion with the Foreign Department should cease, the department being placed, like other departments, in charge of a separate member of the Executive Council.

Do you mean by your suggestion that no one should be selected for the post of Viceroy who has not been Chancellor of the Exchequer ?—Oh, I do not mean that, because no Chancellor of the Exchequer would care to go to India.

Well, I put the case very broadly in that way, because you said that the persons should be chosen among men who have earned for themselves a distinct position for their grasp of intricate problems of finance ; I wanted, therefore, to see the class of men to whom you would restrict the field of choice ?—I believe that in the debates in the House of Commons some men specially distinguish

themselves in the discussions about finance ; or there might be persons who have been connected for a long time with the Financial Department ; it is so difficult to say definitely.

What you mean is such a member as the late Mr. Fawcett was :— Oh yes, the late Mr. Fawcett would have done very well.

That is the class of man you mean ?—That would be a very proper name.

(*Mr. Courtney.*) But there would be no tangible test of qualities in such a man as that ?—The test would be that the man would be willing to take the Financial Portfolio when he goes to India, so that, unless he really liked finance, he would not do that.

(*Chairman.*) Would not that be open to very much the same objection which, I understand, you advanced against the present practice in which the Viceroy is his own Foreign Secretary ? As I understand your objection, it is that the Viceroy should not be Minister of any special Department, and therefore you object to his being the Foreign Secretary. Might not objection be taken equally well to his being Finance Member ?—He should not be Minister of any spending department, that is what I mean : otherwise, he is directly interested in spending.

Might there not be a certain risk in making the Viceroy a specialist in this way ?— Important as most of us think finance to be, a man who had only an eye to finance might make in government grievous mistakes, might he not ?— Sir Robert Peel and Mr. Gladstone made extremely able Prime Ministers of England, and they were both Chancellor of the Exchequer and Prime Minister at one time ; Mr. Gladstone was at one time both Chancellor of the Exchequer and Prime Minister, and so was Sir Robert Peel also.

But the Viceroy, of course, is the head of the executive Government ; and objection has been taken here to the Prime Minister taking a particular branch of administration into his own hands, as a question of principle. Sir Robert Peel was only Chancellor of the Exchequer for a few months in 1834 ; but, of course, you are perfectly justified in quoting his case, as he was Prime Minister and Chancellor of the Exchequer at the same time. Now we come to the subject of provincial finance ?—I now come to the very interesting and important subject of Provincial Finance. While gratefully acknowledging that the decentralization policy has done a great deal of good, even as far as it has gone, I think the time has come when an important further step ought to be taken. It is now 15 years since this policy was carried to the point at which it now stands by the Government of Lord Ripon. The fact that nearly the whole internal administration of the country is in the hands of the Provincial Governments explains why the people of India are so anxious to see the position of Provincial Governments in the matter of finance strengthened

much more than it is at present. The expenditure administered by the Provincial Governments is principally devoted to objects which are intimately connected with the well-being of the people, and the larger, therefore, this expenditure, the better for them. The chief defects of the existing arrangements are the following:—The “so-called Provincial Contracts,” to use Sir James Westland’s expression, are really only one-sided arrangements practically forced on the weak Provincial Governments by the Government of India, which is all-powerful in the matter. The contracting parties not being on a footing of equality, the Government of India virtually gives the Provincial Governments such terms as secure the maximum advantage to itself; and the power which it possesses of disturbing the contracts even during the period of their currency leaves the Provincial Governments in a state of helplessness and insecurity, and all this is very prejudicial to the interests of the internal administration of the country. A reference to the tables, given on pages 47 and 48 of the Appendix to Section I of the evidence recorded by this Commission, will at once show how at each successive revision the Government of India, while keeping to itself all the growth of revenue which had accrued to it as its share of the normal expansion, has, in addition, resumed a large portion of the share of growth that had accrued to the Provincial Governments, compelling them thereby to cut down their expenditure in the first year or two of each new contract. Thus, taking Bombay as an illustration, we find that in 1886-7, the last year of the Contract of 1882, its expenditure was Rs. 3,998,912. This expenditure had, however, to be reduced to Rs. 3,814,500 in 1887-8, the first year of the next contract, and it was not till 1891-2 that the level of 1886-87 was again reached, when, at the next revision, it was again put back. The same was the case with almost every other province. How sore is the feeling of Provincial Governments on this subject may best be seen from the following remarks, which the Lieutenant-Governor of Bengal thought it his duty to make on the matter in the Supreme Legislative Council last year:—“I must say I deprecate the way in which these quinquennial revisions have too frequently been carried out. The provincial “sheep is summarily thrown on its back, close clipped and shorn “of its wool, and turned out to shiver till its fleece grows again. “The normal history of a provincial contract is this—two years of “screwing and saving and postponement of works, two years of “resumed energy on a normal scale, and one year of dissipation of “balances, in the fear that, if not spent, they will be annexed by “the Supreme Government, directly or indirectly, at the time of “revision. Now all this is wrong, not to say, demoralizing. I say “the Supreme Government ought not to shear too closely each “quinquennium. It is as much interested in the continuity of work “as the Provincial Governments, and ought to endeavour to secure “this and avoid extreme *bouleversements* of the provincial finan-

“ces. It would be an immense gain to local administrations if the Government of India could see its way to renewing the contracts with as little change as practicable on each occasion. It is only in this way that the element of fiscal certainty which was put forward in 1870 as one of the main objects of decentralization, can be secured. Hitherto we have had but little of certainty.” A similar protest was made last year by the Lieutenant-Governor of the North-West Provinces from his place in the Legislative Council of that Province; and this year the Government of Madras has addressed a very strong remonstrance against the surrender of an additional 24 lakhs of rupees a year demanded by the Supreme Government.

You say that the Supreme Government is in a position to secure on revision of the contract the maximum advantage to itself, and you have given us the instance of Bombay; but could you give us any general figures on the point?—Yes, I have taken out figures in connexion with the progress of expenditure.

Could you make use of them to explain your view to us?—The present contracts are on the basis on which they were made by Lord Ripon's Government in 1882-3. Since then there have been two more revisions. It is interesting to note how the growth of net expenditure has been divided between Imperial and Provincial since 1882, when provincial finance was placed on its present basis. Putting together Tables 1 and 21 of Sir H. Waterfield, we have the following result:—

| Year. | Total Net. | Provincial Net. | Imperial Net. |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| | In crores of rupees. | In crores of rupees. | In crores of rupees. |
| 1882-83 | 41.79 | 10.98 | 30.81 |
| 1883-84 | 41.66 | 10.83 | 30.83 |
| 1884-85 | 41.90 | 11.62 | 30.28 |
| 1885-86 | 45.43 | 12.27 | 33.16 |
| 1886-87 | 44.55 | 12.12 | 32.43 |
| 1887-88 | 47.37 | 12.35 | 35.02 |
| 1888-89 | 46.44 | 12.52 | 33.92 |
| 1889-90 | 47.34 | 13.10 | 34.24 |
| 1890-91 | 45.66 | 12.64 | 33.02 |
| 1891-92 | 49.50 | 13.60 | 35.90 |
| 1892-93 | 52.43 | 13.40 | 39.03 |
| 1893-94 | 51.87 | 13.33 | 38.54 |
| 1894-95 | 52.74 | 13.13 | 39.61 |
| Increase in 1894-95 over 1882-83. | 10.95 | 2.15 | 8.80 |

You might give us three years (not to give us the whole mass of figures), 1882-3, 1889-90, and 1894-5; I think that that would exemplify your contention?—I would put it in this way: 1886-7 was the last year of Lord Ripon's provincial contract; the provincial expenditure in that year amounted to Rs. 12·12, and this expenditure was 13·13 in 1894-5. There has been altogether an increase in those 13 years of Rs. 2,000,000; out of that more than one-half was in the first four years.

You say the provincial net expenditure was 2·12, and in the last year 13·13?—Yes, therefore it is less than one million, but the total is 2·15.

From the beginning?—Therefore, I mean that during the first four years the increase was more than one half of the total increase.

Let us put it in this way; in your first year 1882-83, the provincial net expenditure was 10·98, that is very nearly Rs. 11,000,000, is it not?—Yes.

In 1894-5 it was 13·13?—Yes.

Showing a difference upon that whole period of 2·15?—Yes.

But now I want you to show the effect of these new contracts by showing what has happened to the Imperial Government?—Yes. If your Lordship will allow me, I will read five or six lines I have written in explanation of this table:—It will be seen that, while the expenditure on the internal administration of the country has been allowed to increase in 13 years by only a little over two crores of rupees, the expenditure administered by the Government of India has increased during the time by nearly 9 crores. It may also be added that, during the three years of Lord Ripon's viceroyalty which belong to this period, the net Imperial expenditure was not only not increasing, but actually showed a tendency to decrease.

On the other hand, more than half the increase in provincial expenditure took place in the first four years, *i.e.*, during the currency of the provincial contracts made by Lord Ripon's Government. Your Lordship will see that the provincial expenditure for 1885-6 is 12·27; the next year it is 12·12; and then your Lordship might come to 1891-2, when it is 13·60, then there is 13·40 again; it is put back at each revision, while the Imperial expenditure, on the other hand, has been going higher up.

You point out that over the whole period the provincial expenditure has risen by 2·15 on about 11?—Yes.

While the Imperial net expenditure has risen by very nearly 9 on 30. Is the difference in percentage between those two very great?—Well, I fear it is not quite right to put it in that way.

In rough figures the Imperial expenditure is a little more than three to one of the provincial?—Yes, at the starting.

Multiply 2.15 by 3 and you would be getting on for 7?—6.45.

While the increase in the Imperial was very nearly 9?—Yes, nearly 9.

Therefore you see by those figures that the Imperial net expenditure has increased at a greater rate than the provincial net expenditure?—Yes.

Your Imperial net expenditure is on a limited number of services, I suppose, is it not? You exclude debt, do you not?—The debt, of course, belongs to the Government of India; the Provincial Governments have nothing to do with debt.

But how do you make up your Rs. 30,000,000? What services make up the 30.81 in 1882-3?—Sir Henry Waterfield has given all that in his evidence. You have the Army, for instance, in the first place; then there are certain services which are directly under the Government of India, and there are railways, the deficit on railways; there are some irrigation works also which are still under the direct control of the Government of India; then the home remittances; all those come under the Government of India, whereas the administration of each province is entrusted to the Provincial Government.

But you see the total net expenditure on these services is only, in the last year of your figures, 52.74?—Yes.

And, of course, there is a very large sum beyond that to make up the budget of Indian expenditure. What is the difference, because what you call the Imperial net expenditure does not represent the whole of the expenditure of the Indian empire?—No, I have taken the figures given by Sir Henry Waterfield, 52.74 is given net, but he excludes cost of collection; that is a matter of difference between him and us. Then there are about 25 crores on railway account, that is also eliminated, and then, I think, though the nominal budget is for 96 crores the net budget is practically 52.74, according to Sir Henry Waterfield's way of putting it, or about 60 crores according to our view, including the charges of collection. Excluding the charges of collection, and all those other things, it stands at 52.74.

And those are Sir Henry Waterfield's figures?—Those are Sir Henry Waterfield's figures; I have said that.

Do you out of those figures prove, or consider that you could prove, that the Imperial Government has taken more than its fair share of the increase of these provincial revenues?—Oh, yes, much more than a fair share; if the contracts had continued as they had gone on before, then the Imperial share would have been less, because Sir Henry Waterfield himself gives in the Tables 47 and 48 how much was resumed each time from the Provincial Governments by the Imperial Government. I can give all those figures, if your Lordship pleases.

I do not quite see that the Imperial net expenditure proves that, because part of the Imperial net expenditure might have been derived from an increase of the revenues reserved to the Imperial Government?—No, but the facts are here. I will just read them out to your Lordship; I did not put them separately in, because they are all contained in Sir Henry Waterfield's own statement that so much was resumed each time. Here they are. First contract (1870), gain to Imperial Treasury '33. The second contract, in 1877, gain to Imperial Treasury, Rx. '40 million.

'40 is Rx. 400,000 you may say, putting it very roughly?—It would mean Rx. 400,000 roughly. The third contract was in Lord Ripon's time, 1882-3, when he took nothing from the Provincial Governments. The fourth contract was in Lord Dufferin's time, when the Supreme Government took '64 million Rx. in addition to what was legitimately the increase of the Government of India. In Lord Lansdowne's time, 1892-3, they took again '46 million Rx. from the Provincial Governments. These are apart from the contributions occasionally demanded; they are separate.

And you would hold that each of these percentages is so much taken, in addition to the Imperial Government's share of normal increase, out of that proportion which at first, it was thought, might fairly be given to the Provincial Governments?—Yes, it was that.

And do you make a total out of these?—It would be $1\frac{1}{2}$ millions, or more accurately, 1,800,000L.; it would be like that—all these revisions.

Rx. 1,800,000?—Yes, altogether.

And that is the sum that you contend the Imperial Government has taken away from the provincial revenue, which would better have been left in the pockets of the Provincial Governments?—Yes, that is what I think. If your Lordship will look at this table given on pages 47 and 48, of Sir Henry Waterfield's published evidence—he gives here the tables of the provincial contracts, the different provincial contracts—it will be seen that in the last year of each provincial contract the expenditure of the Provincial Governments is much larger; the first year of the new contract the expenditure has to be reduced, because the Imperial Government takes away a large portion.

If that extra sum were left in the pockets of the Provincial Governments it would increase by that amount, would it not, this Rx. 13·13 millions which appears against the year 1894-95 in the table?—Yes, it would.

And, if you took that sum off the Imperial net expenditure and added it to the provincial net expenditure, the position would

be reversed, and the provincial net expenditure would have increased at a greater rate than the imperial net?—No, it would not quite come to that.

Just put the figures for yourself?—There is Rx. 13.13 millions.

And adding Rx. 1,800,000?—But Rx. 1,800,000 is from the beginning, from 1870, taking the first contract.

Taking the year 1870?—For the purposes of my table, we must add these last two figures only.

It will quite suffice; you have given us Rx. 1,800,000 as your figure?—That includes also the resumptions of 1870 and 1877, since the first original contract was made. Beginning with 1882-83, there were only two resumptions, one by Lord Dufferin and one by Lord Lansdowne; they come to Rx. 1,100,000 millions. '64 and '46; those are the only two.

That is, 1.1?—Yes.

Add it to 13.13 you get 14.23?—14.23.

Take 1.1 off 39.61 and you get 38.51?—38.51.

The comparison would be 14.23 against 38.51?—Yes. Then it would be like this; it would be a little over 3, on the left side, the net provincial (I deduct 10.98 from 14.23); then that would give 3.25 as the provincial increase. On the other side I take away 1.1 from 39.61, that would mean 38.51, and from that I take 30.81; that leaves 7.70.

Therefore, you say, if that were done, the proportion would be reduced very much?—Well, slightly; not very much.

But it would be reduced?—Yes; but it should be remembered that the level of the expenditure, the Imperial level and the provincial level, are not based on any proportion; there are certain revenues that go exclusively to the Government of India.

That was why I wanted to draw your attention to this table, because it seemed to me that you could not really compare the two services, the provincial net and the imperial net; different causes were acting upon them?—But, where they actually resume provincial revenues, that constitutes—

Confining yourself to the Rx. 1,800,000, which, in your opinion, ought to have gone to the Provincial Governments; if that had been done, would it not have necessitated increase of taxation in order to meet these Imperial charges?—As your Lordship has brought out in one of the questions recorded in the evidence, when there is a special reserve available, then the expenditure has a tendency to increase; but when Government has to face the unpopularity of imposing extra taxation, it would think twice before it increased expenditure. Meanwhile, if the money had gone to

the Provincial Governments, education, police reform, separation of judicial and executive functions, these very necessary reforms would have been carried out.

Carrying out that argument, would you reduce the Imperial revenue to *nil*, in order that the Imperial expenditure might be correspondingly reduced?—Oh, certainly not, but there is ample provision already; they have already secured to them a certain portion of the normal increase.

That is rather an assumption, is it not? Supposing that competent authority—I do not say they are right—thought that this increase of expenditure was necessary, it would have involved increase of taxation?—That only means that we have to say nothing against what the Government of India may do. It comes to that ultimately. I would only say this, that the Provincial Governments are as much interested in the good governments of the country as the Imperial Government. They are certainly not irresponsible, as some of us are called—these Governors and Lieutenant-Governors—and when they say, “You should not take so much from us,” that means something.

Did you not say that the heads of Departments did not care for finance, but only cared for the efficiency of their Departments? Does not the same thing apply to the Provincial Governments, and will not their tendency be to look simply to the efficiency of their own Government, with a certain carelessness as to what the Finance Member might in the end have to do in the way of increasing taxation?—All English officers think of the safety of India first, and second to that, they think of the success of their own administration. Besides, this tendency of which your Lordship has spoken in itself does not deserve to be condemned; it depends on what the department is in regard to which it is exercised. If the Provincial Governments want to increase their expenditure, we think that is perfectly legitimate; when the Imperial spending departments, military and others, want to increase their expenditure, we feel we must protest—that is all.

Therefore, if the Judicial Department wanted to increase its expenditure, they must necessarily be extravagant; but if the Provincial Government want to improve a service, that necessarily is economical?—But the Judicial Department is under the Provincial Government.

Take an Imperial service then?—The Army.

The Army is struck off; give me another instance?—The railways.

Whatever is imposed by the Imperial Government by way of increase of expenditure on railways must be extravagant; but whatever is proposed by the Provincial Government must be

economical?—I do not quite say that; but the Provincial Governments deal directly with matters which are properly connected with the enlightenment and progress of the people. And our Indian people's view, at all events, is that we are more interested in Provincial than we are in Imperial expenditure. Of course, this is our criticism of what the Government have been doing; the Government must certainly be able to allege reasons on the other side, else they would not have done it.

But each department is interested in its own efficiency, and has the same tendency to, I will not call it extravagance, but to free expenditure, which perhaps the general finances will not bear; and there is the same tendency on the part of the Provincial Government as there is on the part of the Imperial Government? —That is true; but if the Educational Department, for instance, wanted to increase its expenditure, I would welcome that tendency; if the Military Department wanted to increase its expenditure, I should be very jealous and should protest.

But, on the whole, your plea is one for additional expenditure? —Yes. The Provincial Governments must increase their expenditure very much.

And, in consequence, have additional taxation? You would give this 1,800,000*l.* over to the Provincial Governments to spend?—Yes, I would.

You have got no means of showing that the Imperial net expenditure could be reduced by that sum; would that be possible? —That might be possible.

But you have got no means of showing so? If that is not possible, then the whole expenditure of India would be increased by 1,800,000*l.* Your plea, therefore, in that case would be for an increase of expenditure, and, inasmuch as it is only about an equilibrium at the present moment, that would be a plea for increase of taxation; must not that be the result?—I have faith in the Government's fear to face the unpopularity of increased taxation, and they will reduce their expenditure, I think.

Now will you pass on to some further remarks upon the principle upon which these contracts are based?—I have pointed out one defect of the provincial contracts, namely, that they are one-sided arrangements forced upon the weak Provincial Governments by the powerful Imperial Government. Secondly, there is no fixed or intelligible principle on which these contracts are based, no uniformity in their plan, no equality in the burdens which they impose on the different provinces. The share of Imperial expenditure which the different provinces have to bear is not determined by any tests of population or revenue. A calculation, made by Sir James Westland and printed on page

400 of the second volume of the Finance Committee's report, gives the following results:—

The proportions or percentages of revenue surrendered by each province to the Supreme Government are as follows:—

| | Per cent. |
|----------------------------------|-----------|
| India Districts (General) | 26 |
| Central Provinces | 56 |
| Burma | 58 |
| Assam | 51 |
| Bengal | 68 |
| North-West Provinces | 76 |
| Punjab | 45 |
| Madras | 52 |
| Bombay | 46 |

The contribution of each province per 100 of the population is as follows:—

| Province. | Rupees contributed per 100 of Population. |
|-----------------------------|---|
| Central Provinces | Rs. 71 |
| Burma | 312 |
| Assam | 97 |
| Bengal | 107 |
| North-West Provinces | 177 |
| Punjab | 82 |
| Madras | 123 |
| Bombay | 155 |

These figures are sufficient to show the totally arbitrary character of the present contracts. The fact is that these inequalities are a legacy from the pre-decentralization period, when the expenditure of the different provinces was determined, as men like Sir Charles Trevelyan, Sir John Strachey, General Chesney and others have put it, not by the resources or requirements of those provinces, but by the attention that their Governments succeeded in securing from the Central Government, *i.e.*, by the clamour that they made. And when the first step was taken in 1870 in the matter of decentralization, the level of expenditure that had been reached in the different provinces was taken as the basis on which the contracts were made, and the inequalities that then existed were, so to say, stereotyped. I think it is high time that an effort should be made gradually to rectify these inequalities.

Then your criticism in this matter is, not so much that there should be one uniform percentage levied on the provinces, as that the present division is a purely arbitrary one ; that it is not based upon the ascertained requirements of the provinces, or their claims upon the central Government for special consideration, but that it is a hand-to-mouth arrangement, based upon a state of things which existed before the new provincial system was introduced ?—That is so, and also this, that the burdens ought to be more fairly distributed. It is very hard on certain provinces—for instance, Madras is very hardly treated ; we are better off in Bombay, but the North-West Provinces are very badly treated also. And there is another point, Government has now added Burma. This new province required a large outlay to begin with ; that burden has to be shared by all the other provinces without any principle, so, if there was any limit like that, the burden would be thrown equally upon all.

The proportion of revenue surrendered by Burma to the Supreme Government was rather a high one—58 per cent. ?—That was Lower Burma. This was written in 1886 by Sir James Westland when he had the accounts of 1884 before him ; Upper Burma was not annexed at that time.

But even at that time is it not the case that Lower Burma was an expensive province to the Imperial Government ?—Lower Burma was not.

Not at that time ?—And there is another peculiarity. Burma is very thinly populated, so that the number of rupees contributed per 100 of population is 312 ; and, if your Lordship will look at the proportion of revenue surrendered by Burma, it will be found to be 58 per cent., or more than one-half.

That is the figure I have before me. Your contention would be, therefore, that the contribution required by the Imperial Government was excessive in Burma ?—Yes, in Lower Burma ; I am not referring to Upper Burma, which was annexed in 1886.

No, I quite understand. Now, take another of these provinces, and perhaps you would apply the same reasoning to that—any one you like ?—Say the North-West Provinces. They are called upon to contribute 76 per cent. of the revenue to the Imperial Government, and Bengal is called upon to contribute 68 per cent.

Now, has the Imperial Government to contribute very largely in return to the North-West Provinces ?—I do not think so. They do not contribute to any of the provinces.

And you base upon that your contention that the rate of contribution is entirely arbitrary in each case ?—That is what I say. It is, moreover, the official view itself. Sir James.

Westland, who is now Finance Member, himself constructed these tables.

But you are not in any way arguing for a rigid 50 per cent. to be levied, we will say, from all the provinces?—That should be the ideal that we should keep before ourselves, and it should be gradually reached; that is what I mean. I will explain how that could be reached afterwards; in fact, Sir Charles Elliott's proposals aim at that.

Perhaps you will proceed?—The third defect of the existing schemes is that, while it operates as a check on the growth of provincial expenditure, it imposes no similar restraint upon the spending propensities of the Government of India. The only way in which these defects could be remedied was clearly pointed out by four members of Lord Dufferin's Finance Committee. They were the President, Sir Charles Elliott, late Lieutenant-Governor of Bengal, Sir W. W. Hunter, Mr. Justice Cunningham, and Mr. Justice Ranade. In a note which they submitted to the Government of India on the subject, they made the following four proposals, and urged that their adoption would be attended by very beneficial results :—(1) That there be no divided departments, but that those departments of receipts and expenditure which are now wholly or almost wholly Imperial, or which it may be found convenient to make Imperial, should be set on one side for Imperial purposes, and that the receipts and expenditure of the provincialised departments should be entirely provincial. (2) That whatever the sum be by which the Imperial expenditure exceeds the income from those sources of revenue which are not provincialised, that sum should be declared the first charge on the Provincial revenues. So this provides fully for the interests of the Government of India.

But would not the result be very much the same as it is now?—No, it is not so. The scheme, in the first place, secures greater fixity to the Provincial Governments.

Do you propose to show that to us afterwards?—Yes. (3) That the provincial surplus which arises from the excess of receipts over expenditure should be the fund from which, in the first place, all Imperial necessities should be met before any increase can take place in provincial expenditure. (4) And that as regards the future growth of revenue, it should, as far as possible, be divided equally between Provincial and Imperial, subject to the condition that if the Imperial exigencies ever required a larger share, the Imperial share should be increased. Taking the accounts of 1884-85, Sir Charles Elliott and the other members thus illustrated the working of their scheme: They proposed that opium, salt, customs, tributes, post office, telegraph, mint, interest on debt, superannuation receipts and charges, the East Indian, Eastern

Bengal, Guaranteed and Southern Mahratta Railways, Military Works, Army, exchange and home charges, should be wholly Imperial, and that the Government of India should also bear the charges and receive the revenues of the Imperial districts, *i.e.*, the parts of India which are not included in the provinces. On the other hand, they proposed that land revenue, stamps, excise, assessed taxes, forests, registration, and the civil departments should be wholly Provincial, such heads as stationery, printing, miscellaneous, and railways, canals, and other public works as were already Provincial continuing to remain so. The accounts of 1884-85, excluding Provincial rates, were as follows:—

| | (In Thousands of Rupees or Hundreds of Rx.) | | |
|-----------------|---|-------------|---------|
| | Imperial. | Provincial. | Total. |
| Revenue ... | 503,569 | 175,537 | 679,106 |
| Expenditure ... | 505,066 | 174,854 | 679,920 |

These accounts, on the basis of readjustment suggested above, would have stood thus:—

| | (In Thousands of Rupees or Hundreds of Rx.) | | |
|----------------|---|--------------|---------------------|
| | Revenue. | Expenditure. | Surplus or Deficit. |
| Imperial ... | 326,799 | 505,365 | 178,566 |
| Provincial ... | 354,307 | 176,559 | 177,748 |

Your Lordship will notice that Rx. 35,000,000 is the revenue at the disposal of the Provincial Governments, out of which Rx. 17,000,000 they spend for themselves, and the rest they hand over to the Imperial Government. This means that on the basis of division proposed, the provinces would have to pay about 17½ crores, *i.e.*, about 50 per cent. of the revenues made over to them to the Imperial Government to enable the revenue of the latter to come up to its expenditure. This scheme, if adopted, would have the following advantages over the existing arrangements:—

(a) It would remove all irritation at present felt by the Provincial Governments and secure to them, under ordinary circumstances, half the normal growth of revenues in their provinces, enabling them thereby to make steady efforts towards the progressive improvement of the internal administration of the country.

(b) It is, of course, not possible to secure *at once* a complete equality in the burdens which the Imperial expenditure imposes upon the different provinces. Provinces that contribute less than half their revenue to the Imperial Exchequer, cannot be suddenly called upon to reduce their own expenditure and pay their full share with a view to reducing the share of those that at present contribute more than half. Existing facts after all must be respected and the present level of expenditure in the different provinces must be left untouched. But the effect of contributing to the Imperial Exchequer an equal portion of all future increase in revenue (*viz.*, 50 per cent.), will be that year by year the relation which the contribution of a province bears to its revenue will tend more and more towards equalization. Thus the provinces which now pay, say, 60 per cent. of their revenue will, after paying only 50 per cent. of their increase for some years, be found to have dropped down to a ratio of 58 or 57 per cent. And similarly in the provinces which pay less than 50 per cent. at present, the ratio will constantly work itself up to 50 per cent. The proposed scheme, while making ample provision for the necessities of the Central Government, imposes at the same time something like a check on its spending propensities. It secures to that Government the entire normal growth of the imperialised items of revenue and also half that of the provincialised items, and leaves to it besides the power to demand more than half in times of sore need. But it is expected that in ordinary years more than half the normal growth of provincial revenues will not be devoted to non-provincial purposes. The adoption of the scheme will place the financial system of India once for all on a sound basis and will bring it more in a line with the federal systems of finance in other countries, such as Germany, Switzerland, and even Canada and the United States. In these countries, so far as I have been able to gather, the central and constituent governments have their separate resources, but the latter are called upon in Germany and Switzerland to make special contributions on extraordinary occasions. There is one safeguard which I would add to the foregoing scheme and which, I think, is very important. It is this, that the Government of India should have no power of claiming for itself a higher proportion of the provincial increase than 50 per cent., except in those extreme cases described by Lord Ripon's Government as dire necessities, and that, whenever in the opinion of the Government of India those extreme cases arise, a formal declaration of the grounds on which such opinion is based

should be drawn up and sent to the Secretary of State to be placed by him before Parliament. Moreover, the increase should not be allowed without the sanction of the Secretary of State, so that the Provincial Governments, if they wanted to protest against it, would have an opportunity of doing so. I am confident that the Provincial Governments in India will welcome such a settlement of the question. Before concluding this portion of my evidence, I may be permitted to remark that it would have been a matter of general advantage if representatives of Provincial Governments had come here to give evidence on this subject before the Commission.

I have a question to ask you on the proposal you make; but first of all, could you explain what you mean by expressing the wish that representatives of Provincial Governments should come here? Do you mean by that that witnesses from the Bombay and Madras Governments should have been invited to come over to give evidence?—On this particular subject of provincial finance.

Your criticism upon what the Commission have done is that they have restricted themselves to hearing the evidence of people who represent the Central Government?—Yes. I do not criticise what the Commission have done. I only say that it would have been well if the Central Government in India had asked the Provincial Governments to send representatives to give evidence.

I quite understand. You say that, if the suggestion which you have explained to us were carried out, it would remove all irritation at present felt by the Provincial Governments; but do you not think that there would be a certain feeling of irritation in the Provincial Governments if you not only doubled their income—which you would do if you increased it from $17\frac{1}{2}$ millions to 35—but immediately afterwards took part of that away from them to give to the Imperial Government?—I do not think so.

Do you not think that there would be a little irritation?—No, there would be no irritation. They would know, of course, that they have to provide for the Imperial Government, as at present, but the great advantage of that scheme would be that 50 per cent. would definitely belong to the Provincial Governments and 50 per cent. would be all that would be taken away.

You give the analogy of Germany. Have you never heard that in Germany there is a very great deal of irritation felt over what I think they call the *matricular* contribution; the tendency of the Empire is to increase that *matricular* contribution, and—I am only speaking of what I have read—that increase does not tend to make the relations between the subordinate Governments and the

Supreme Government more pleasant?—It is very much to be wished that exactly the same state of things should reproduce itself in the Government of India so far as the relations of the Provincial and Supreme Governments are concerned. There would then be some guarantee that there would be some check on the tendencies of the Imperial Government: at present it has things all its own way.

I do not see where the check on the Imperial Government would be, if the Imperial Government at the end of the time said: "We have spent so much, hand it over"?—No, it would not be that; the contract would be there. If at the end of the year they were able to show that some dire necessity had arisen, they would come first of all to the Secretary of State; that is what I have provided. The Provincial Governments would then put forward their views, and the Secretary of State's sanction would be necessary: and the whole matter would ultimately come before Parliament. That is all that can be done at present; I wish more could be done, but it does not seem feasible.

We will say at the present moment that the expenditure of this test year is 50 millions; you take that as the existing expenditure?—Of 1884-5.

I am taking it for that year?—Yes.

And the revenue which the Imperial Government enjoyed in that year was a sum slightly less than that?—Yes.

Under the reform which you have brought before us 17½ millions of those revenues would be taken away from the Imperial Government?—Yes.

But they would be handed over to the Provincial Governments simply to get taken again?—But there would be this advantage, the departments would once for all be classed as Provincial and Imperial, so that the Budgets may be separate, everything may be separate, and there need not be this complication which is inevitable at present. The present theory is a very defective theory; all the revenues belong to the Government of India; they are only nominally received by the Provincial Governments in trust for the Government of India, and then the Imperial Government hands over to the Provincial Government so much. Under my scheme there would be a complete division of resources.

Now we will confine ourselves to the advantage of distinctness of account. We will say that, instead of the Provincial Government levying taxes on behalf of the Imperial Government, they would levy these taxes on their own behalf; but, as soon as they had done that, they would immediately have to give over in this particular year this very large sum to the Imperial Government. It seems to me to leave matters very much where they

were before, and up to this point you have provided no check upon the Imperial Government. From what you have told us I think you see your way to providing a check; I think you told us that, as far as the growing revenue was concerned, not more than 50 per cent. was to be taken by the Imperial Government: is that the safeguard upon which you rely against extravagance on the part of the Imperial Government?—One of the safeguards.

What were the others?—The other is that, if the Government of India wanted more, then it must draw up a declaration to come before the Secretary of State, and the declaration must go before Parliament. Of course, necessities must be provided for, but there would be this, that they would not care to submit themselves to all this, unless the occasion were really an urgent one.

But, in the meantime, the expenditure is going on, and the Imperial Government finds it necessary to incur expenditure: how would it incur it, when one-third of its revenue was taken away?—But there are large balances which the Government of India has; surely extraordinary expenditure might be met out of them, and it has powers of borrowing also.

We are told that these balances are only carefully adjusted to the present necessities, and, if you made further demands upon it, the Government would have to have bigger balances. When an extraordinary occasion arises, they must draw on their balances?—As a matter of fact, there are no stringent limits about their balances; sometimes they drop down to 12 crores, sometimes they amount to 23, and so on.

It has been put before us by the responsible officers that the balances, as they at present stand, are not, on the average and in the main, excessive for the present needs?—Yes.

But, if the Imperial Government, carrying on its expenditure, cannot draw upon the Provincial Governments until the Provincial Governments have made an appeal home, and the Secretary of State has heard both sides and sanctioned the transfer of the sum, it appears to me that the Central Government must have very largely increased balances out of which to provide in the meantime?—But how much does it take at a time from the Provincial Governments? Not much, after all, whenever it demands these contributions; it took, for instance, at one time less than a million, and at another time less than a million.

But, in this case, your proposal takes away at once one-third of the revenue of the Imperial Government?—Yes.

(*Mr. Courtney.*) That is only, as I understand it, when the arrangement is first made; after you have made your arrangement for allocation of revenues, and your distribution of accruing

revenue and surplus, the whole machinery would be automatic?—Yes.

And that is your best guarantee; there would be an automatic revenue received by the provincial administration, and an automatic share given to the Central Government?—Yes, that is what I mean.

And so, if after three or four years a crisis arose in which the Central Government was pinched, it would have to make a solemn declaration of the special circumstances of its situation, which should be forwarded to the Secretary of State, who would then sanction an indent upon the provincial revenues?—Yes, exactly; my case has been very fairly put; that is exactly what I mean. The only thing that I would add to that, is that, whenever the Government of India resumes an additional portion of the surplus of the Provincial Governments, the portion does not come at once; it is only a small dribble at the beginning, but it secures that portion to itself permanently. So it is not of much immediate importance in the case of a real emergency which wants a large expenditure at once. If the emergency was not a pressing one, but if the Government of India wished to increase its expenditure permanently, there would be time for them to go to the Secretary of State and get his sanction.

(*Sir James Peile.*) A deficit in the Imperial Budget would always be an emergency such as you would look to?—No, I do not think so.

Why?—They may meet a deficit out of their own resources, out of the balances for the first year; they do not keep the balances at a specified level; there have been many years where they have reduced the balances, and the next year, when they have better revenues, they make them up.

(*Mr. Courtney.*) Your hope would be that, with this chasm lying before them, they would always pull up in time?—Yes; that is what I mean.

(*Sir James Peile.*) But, if they did not meet a deficit out of the balances, they would have to meet it by extra taxation, would they not?—Yes, they have that power also of extra taxation, and I would not touch their power in that respect.

(*Chairman.*) But you are only going to allow the Imperial Government, under any circumstances, 50 per cent. of the increase of the proceeds of taxation?—Yes, 50 per cent. of the provincial revenues, in addition to the whole 100 per cent. of its own revenues.

The whole of its own, yes; but only 50 per cent. of the increase of the provincial, and, therefore, to that extent you increase the powers of the Provincial Governments to spend?—Yes.

That being the case, it is very probable, is it not, that the Imperial Government would find itself short?—I do not think so. In the year taken by Sir Charles Elliott it required 50 per cent. of the provincial revenues to make up its Budget; last year also in the Supreme Legislative Council this same point was pressed by a non-official member, and on that occasion he divided the Budget in the same manner as this. Last year the Budget was, say, 96 millions; out of that 48 were Imperial and 48 Provincial according to this scheme. Well, out of that 48 the Provincial Governments spent 24, and contributed 24 to the Imperial Treasury, so that the scheme would automatically work like that. The Imperial Budget would be the Imperial receipts, *plus* contribution from the Provincial Governments; the Provincial Budget would be so much revenue, *minus* so much contribution to the Imperial Government.

What you want really to do is, is it not, to secure to the Provincial Governments of India what you think is a fairly sufficient revenue with which the Imperial Government could not meddle?—That is my object.

And, in order to get that end, you would not mind leaving the Imperial Government to the necessity of imposing extra taxation, which otherwise might be avoided?—Well, they avoid it at present by starving the most useful things; I do not approve of that; they starve education, and all that.

But it is necessary that we should understand whether you do not shrink from extra taxation in order to secure to the Provincial Governments that revenue?—I do not shrink from that, because I know that the Government would not care for that unpopularity, and that the taxable resources are nearly exhausted now in India.

Now we come to the progress of expenditure, and, perhaps, you would give us your views upon that subject?—Yes. Our expenditure shows a large and continuous growth since the transfer of the Government of India from the Company to the Crown, and recent changes in the frontier policy have accelerated its pace in an alarming manner. Excluding railway receipts, the average expenditure for the five years preceding the Mutiny was about 30 crores. It now stands at over 73 crores, nearly 2½ times what it was before the Mutiny. Increase of expenditure taken by itself as a feature of national finance, is not necessarily open to any serious objection. Everything depends in this matter on the nature of the purposes for which the increase has been incurred, and the results produced by such outlay of public money. In the United Kingdom, in France, in Italy—in fact, almost everywhere in Europe—there have been large increases in national expenditure during the last 30 years; but the increase in Indian expenditure during this time differs

from the increases elsewhere in a most fundamental respect. While increased expenditure in other countries under proper popular control has, so far as we are able to judge, helped to bring increased strength and security to the nations and increased enlightenment and prosperity to the people, our continually growing expenditure has, in our opinion, under autocratic management, defective constitutional control, and the inherent defects of alien domination, only helped to bring about a constantly increasing exploitation of our resources, retarded our material progress, weakened our natural defences, and burdened us with undefined and indefinite financial liabilities.

May I stop you there for a moment and ask you what you mean by "increasing exploitation of our resources has retarded our material progress"?—Yes. What I mean thereby is this: The resources of our Empire are really vast; but the great difficulty in India is about capital, and we are unable at present to take advantage of these resources ourselves, but our hope is that in course of time we might be better able to spend money in that direction, and then we should be able to utilise our resources for ourselves. At present, owing to the vigorous manner in which railways are constructed, and the way in which foreign capitalists are encouraged to invest their money in India, the result is that we get only the wages of labour, while all the profits that are made there are taken out of the country and our resources are being utilised by others.

Then you would prefer to have gone without the railways all the time?—Your idea of improving the material prosperity of India would have been to have adopted none of these improvements such as railroads, which most people think tend to develop a country?—Well, I am not quite so sweeping in my assertion. I do not mean that the railways themselves are to be condemned—all the railways—but the manner in which the Government are going in for more and more railways, starving more useful things, is an objection; and this has resulted in the exploitation of our resources by the indigo, tea, coffee, and other planters. The policy of free trade has, moreover, been forced upon us too early, thereby destroying all our important industries that existed before, and throwing all the people on the precarious resource of agriculture.

Do you consider it a great drawback in the development of Indian resources that a great tea trade has been established, which has gone very far to put India in the place that China formerly occupied as supplying England with tea?—So far that would be an advantage, but the profits go to Europeans; and if we were able to accumulate capital the——

But, if this capital had not come from this country, this new industry would not have been developed?—That is so.

It is quite open, at the present moment, to Indians to use their large resources, if they are large resources, in cultivating this tea : but apparently they do not do it ?—We have very little capital to invest in these industries.

And, therefore, no improvement would take place and at the present day you would be cultivating as you were 50 or 100 years ago, because you have not got capital. In such a case is it not an advantage to a country to be able to borrow capital, and borrow it cheaply, in another country, in order to help the development of its resources ?—But, if I had a vast property myself, I would rather allow that property to remain as it is, with the consciousness that I may make full use of it when I have the means, rather than allow somebody else to come and use it and give me only a pittance, the outsider getting all the rest ; it is *my* property.

I only want to understand your view. You would have had no railways ; you would not have had very good roads, I think ; and none of these trades would have been developed. Do you think that that would have been for the benefit of India ?—I did not say that there should have been no railroads at all ; but my complaint is about the manner—

I think you say in one part of the paper which you have given me, that you think that at the present moment railroads ought only to be executed out of surplus revenue ; that is to say, that India should make her own railroads ?—Yes.

It is another form of saying it ?—Yes.

And that principle you would have applied from Lord Dalhousie's time forward ?—No, I should not have done that. I think we must be up to the times after all ; and the main trunk lines would have been constructed.

Therefore, it is only a question of difference of degree : the main policy was right, and the main policy was a benefit to India, inasmuch as it introduced these improvements which have been adopted by every other country under the sun ; and, on the whole, you would not have liked India to have been left entirely without a share in these improvements ? Your difference of opinion with the Indian Government is that they had been pushed too far ?—That is one ; and I look at the motive power which sets in motion the whole machinery. No Viceroy goes out to India, but a body of merchants waits upon him in England and says, "You must do something for railroads," and so on ; there is a feeling in India that these railroads are mainly undertaken in the interests of the English commercial classes. We have got the main trunk lines ; we would rather go without the others.

What I understand is, that the foreign English capital should have made the main trunk lines, and nothing more should have been done, unless out of surplus revenue. I think you have rather minimised the surplus revenue; that amounted to very little, in your opinion, did it not; at the present moment the surplus revenue is not very much?—Yes.

And, therefore, you would be practically putting an end to all railroad expenditure at the present moment?—They might make economies and have a larger margin; if they are really anxious for these railways, they might make economies and have a larger margin, and devote that margin to railways if they please.

(*Sir William Wedderburn.*) They need not have expeditions to Chitral?—They might very well dispense with those; that is what we think.

(*Chairman.*) This, of course, is a perfectly fair argument to put forward; but it is always accompanied by the argument on the other side that competent people thought these things necessary?—That is so; but in the House of Commons the members who criticise are not military experts themselves, and yet they do not feel themselves debarred from criticising.

Will you tell us how the making of railroads has retarded your material progress, because you say “that the increasing exploitation of our resources has retarded our material progress”—Well, this free trade policy that has been thrust on the country has killed all our industries. No colony has accepted this policy. The result is that our people are growing poorer and poorer, because they are all thrust back on agriculture. Sir James Caird, in his report, says that there are so many idlers now connected with land; I believe half the number would do the agricultural work; and the other half are kept on land because they have nothing else to do; and the result is so much labour is practically idle there; and the old industries that we had are swept away under the competition of steam and machinery; so that has retarded our progress.

Then the opening of fresh trades must have the opposite effect, must it not?—But that is very little; we get only wages there, and everything else goes out.

Quite so; but you speak of the people not having anything else to do except being on the land, the consequence being that too large a population, as I understand, are being employed on the land. Any new trade opened must find larger employment for the people, and, therefore, be beneficial?—Your Lordship should take both parts of my scheme, namely, protection coupled with that. Then, of course, our other industries also would remain; and the result of it would be that our unemployed would find work there. After all, it is the ideas that mould these activities; and our contact with the West has given us the necessary ideas.

I want to keep to the question I was putting to you, namely, there are too many people on the land; the opening of fresh trades, and thereby finding fresh employment, must tend to relieve that glut, must it not?—That is true, so far as it goes.

And, therefore, when you get within 50 years an enormous new trade like the making of railways—I think I am right in calling it enormous—there is a tendency in that direction, is there not?—Economically I must admit that it has a tendency in that direction; but I do not approve.—

I am only taking that as an instance; and any development of Indian resources, that gives employment to labour, has a tendency to relieve this glut, has it not?—Yes; but those men were already employed before; not these exactly, but those who represented them in the old days.

But you have just told us that there are too many on the land now?—Yes, because our industries have been killed by free trade.

And when other industries are opened up, those new industries tend, so far as employment is concerned, to redress the balance?—That is true; but you should never have forced free trade upon us and killed our old industries.

Then your remedy is protection?—Yes. India needs protection very badly; that is my view.

Then it comes to that, that your remedy is protection?—Well, yes; though the evil has already been done.

Is the feeling that protection is necessary universal throughout India?—So far as I know that is the general feeling. We are like the colonies in that respect.

(*Mr. Naoroji.*) What is the reason they were not able to take up these industries, such as tea or any of these industries, or any of these enterprises which the foreigners came and took possession of: is it not because our capital is carried away from the country?—Yes, that is so.

Is not that at the root of the whole thing?—Yes; it is at the root of the whole thing.

If that were not so, and we were able to preserve what we produce, we should be able to welcome the foreigners to do what they liked, and we should be able to compete on equal grounds with them?—Yes, exactly.

Otherwise, we are reduced to mere labourers, hewers of wood and drawers of water; whereas now, of the profits of all these new improvements and trades and manufactures introduced into the country nothing remains; those profits are all taken away by somebody else?—Yes.

Because we ourselves cannot devote our money or our capital to the subject : is not that so ?—That is so ; I would give one illustration which would make my meaning clear. It is like a house in which there is only one person, and that is a paralytic, and there are a number of good things in the house. The person himself can take no advantage of those good things ; but other people come in, throw a pittance to him and take away all those things ; it is almost like that.

(*Chairman.*) Take them away ! But they buy them ?—Well, they say they buy them.

There is a price given for them ?—But only a very inadequate price.

Take the case of a railroad ; that costs money to make, does it not ?—Yes, it does.

That money has been supplied from here ?—Yes.

Is not that buying ? Is not that a case of buying a portion of the receipts of the railroad back again ? If England sends over 500,000*l.* worth of rails which are laid down, for the moment that costs India nothing. England buys a certain share of the proceeds of this industrial undertaking by providing these rails ; is not that an exchange between the two countries ? That is not taking the things out of the Indian's house without paying for them ?—I do not say without paying ; you throw a pittance to us in the shape of wages ; the profits are all taken clean out.

Is it not the case that the whole work has been done, or the great part of it has been done, by goods which Englishmen have brought and sent over ?—Yes.

Plant ?—Yes.

And in all fairness has not the return been a perfectly fair bargain between the two countries ?—But they are our resources ; why should English capital alone find its investment there ?

But there is nothing to prevent your resources being employed, only you say you have not got them ?—The natural resources are our own, the land is our own, everything is our own.

At all events you could subscribe to these railroads and find the capital for them, but you do not ?—We have no capital.

As far as I understand, the English Government would be only too glad if you would pour out your accumulated wealth to buy these railroads, but you will not ?—There is not much accumulated wealth.

(*Mr. Naoroji.*) Is it not the case that we cannot buy them because our capital is taken away by somebody else ?—Yes, what would otherwise be our capital.

We have not the capital to pour out, otherwise we would be only too willing to devote it, and leave the foreigners also to come in with their capital?—Yes; if what the nation might have saved in normal circumstances had remained in the country, we might have been much better able to take advantage of those resources.

(*Chairman.*) I think we had better pass on?—Compelled to meet the demands of a forward Imperial frontier policy and the exigencies of consequent Imperial defence, and constantly borrowing for commercial enterprises, often undertaken in consequence of the pressure of English commercial classes, our Indian Government has little money to spare with all its increase of taxation, for purposes of national education. Nor has it been able, amidst constant embarrassments of the military budget, to forego some prospective land revenue by granting the boon of a permanent settlement to provinces ripe, and more than ripe, for the concession under the conditions laid down in Sir Charles Wood's and Sir Stafford Northcote's despatches (1862 and 1867), nor again has it found itself during all these years in a position to carry out pressing administrative reforms like the reforms of the police, and the separation of judicial and executive functions. It is this feature that marks the difference between the growing expenditure of British India and that of other countries, and constitutes our national grievance in respect of the administration of our national expenditure. Whereas the capacity of the country to bear increased burdens is growing perceptibly less, our expenditure, under the existing conditions of administration, is rising higher and higher, necessitating a heavy incidence of taxation, exhausting all our fiscal reserves, and, what is still more alarming, thrusting on our hands expanding responsibilities.

Are you prepared to prove that the capacity of the country to bear increased burdens is growing perceptibly less?—I think so. These famines—this present famine, for instance, and the suffering that it is causing—are good evidence on the point. The people now go down at the first touch of famine.

But when you say that the capacity of the country to bear increased burdens is growing perceptibly less, I think, on the whole, the evidence placed before us has shown that, apart from increase of taxation, revenue has grown. You say that it is perceptibly growing less; but, on the contrary, it is perceptibly growing better?—My view is that the people are growing less prosperous; we perceive it. Men who think with me perceive that the people are growing less and less prosperous.

The outward and visible sign is the capacity to pay the same amount, or a larger amount, of revenue where there has been no difference of taxation. If the produce of taxation increases, it certainly is not a perceptible sign of incapacity of the country to

bear increasing burdens?—There is another thing also—increased burdens. I mentioned, and the Government themselves have admitted it in several places, that it is not possible to impose increased taxation on the Indian people. That is one thing; and, secondly, your Lordship might look at the income-tax returns, for instance. For all practical purposes the income is steady, and there is the normal growth of population. Still we feel that the capacity of the country is growing relatively less.

Will you go on?—Under the Company's Government things were, on the whole, managed with economy, and increase of taxation was, as far as possible, avoided, which is a characteristic feature of our pre-Mutiny finance. The conquest of the country completed, the Company's Government entered, in 1852-53, upon a career of administrative improvement and internal progress, and did much in both directions without increase of public burdens. And during the next five years the fiscal system was reformed, the police was reorganised, the judicial and other establishments were revised with largely extended employment of natives in some of the higher branches, and great activity was shown in regard to public works. Over two crores a year were spent on canals and roads and buildings, and arrangements were made with railway companies for the construction of the main trunk lines of railway communication; and yet the expenditure was under 30 crores. Then came the Mutiny; it was a serious national disaster. It added 47 crores to our National Debt; and our permanent annual expenditure increased at one bound by about 9 crores, the civil charges going up from 11·7 crores to 15·8 crores, the Army from 12·7 crores to 14·9 crores, and interest from 2·9 to 5·5. The cloud of distrust, suspicion, and prejudice, then raised, still hangs over the country, and casts its blighting shadow more or less over the whole of our Indian finance. In respect of military expenditure—so, too, in regard to the extended employment of natives in the higher branches of the civil and military services of the Crown—the effects of the Mutiny are still broadly visible. I beg to be allowed to put in two statements here which I think will help the Commission to comprehend at a glance the progressive nature of our expenditure. The first statement gives figures of total expenditure *minus* railway receipts, figures of the exchange charge, and, lastly, figures of total expenditure *minus* railway receipts and exchange for the last 40 years. The second statement divides the period from 1862 to 1895 into three periods—the first from 1862-1870, that of centralised finance; the second from 1871-1881, that of partially decentralised finance; and the third from 1882-1895, that of decentralised finance.*

I understand these figures to include the revenue so decentralised, do they not? It is the total revenue in each case?—Yes, the total;

* See Appendices No. 77 and No. 78.

and the statement gives the salient facts connected with our expenditure during all these years. Both these statements have been prepared from the annual financial statements.

The table which you put in is a very interesting one; but of course it is impossible for you to give us these long columns of figures, and I would ask you to look down and give us two or three figures out of it, in support of what you are saying?—Yes. Well, what I meant was that, if these statements are put in as appendices to my evidence (they have been prepared with great care), they will illustrate this point: I say that the periodical averages, without exchange, have been as follows:—1852-3 to 1856-7, 30·8 crores; that was the first level. Then during the four years, which were very disturbed, after the Mutiny, there was an increase of 16 crores, 46·1; that was the average. That level was practically maintained during the next 10 years. From 1862-3 to 1870-1 it was 46·9; from 1871-2 to 1881-2—that was a disturbed period of war and famine—it went up to 53·9. From 1882-3 to 1894-5, which has been a period of expeditions and increase of military expenditure, and so on, the increase, without exchange, has gone up, on an average, from 53·9 to 58·8. With exchange, the figures are much worse; they are 30·8; 46·1; 46·9; 55·8; 65·4.

Now you follow that with six statements?—Two make up each division; there are three divisions, three periods into which I have divided the whole from 1860 to the present. In 1860 our finances were placed on their new basis by Mr. Wilson.

Is this the table, that you call “post-Mutiny period”?—Post-Mutiny period, Division I, from 1862 to 1870-1. I would ask the indulgence of the Commission only for two or three minutes while I point out the most salient points. I would not weary them by reading all these; but I would point out—

Would you point out the object you are aiming at; then, if the tables are put in, we can see in detail how you work it out?—I have tried to point out, first, what have been the elements of uncertainty during each period, and how those elements have gone on increasing until at last they have got to quite a large number now. Then I give a list of the fiscal reserves during each period, and I proceed to show that these are now nearly exhausted. The Government has been drawing not merely upon the old reserves, but upon several other reserves.

Perhaps you would give us what you call the elements of uncertainty?—During the centralised period, the elements of uncertainty were War Office demands, about which the Government of India itself has said it did not know what might be thrust upon it; then demands for public works under the pressure of the commercial classes; then, the opium revenue having become uncertain, the fluctuations in the opium revenue; and the railway

finance. These were the elements of uncertainty during the first period. The fiscal reserves were balances, taxation, and curtailment of optional expenditure, that is, public works. Now, if your Lordship will turn to the second division, there the elements of uncertainty and the fiscal reserves are mentioned of that period; War Office demands; famine and protective action; public works; commercial demands; opium; and railway finance; they remained as they were. Exchange is added now as another element of uncertainty.

Which table are you on now?—It is the post-Mutiny period, 1871-2 to 1881-2, Division 2. Two more elements of uncertainty have been added, in the shape of exchange and exigencies of Imperial policy in Central Asia. The taking of Khiva brought on a change of policy. The fiscal reserves were balances, taxation, curtailment of public works, optional expenditure, and famine grant. That came under the fiscal reserves. Then during the third period, the elements of uncertainty during the period—five of those were the old ones; then exchange, and Imperial policy in Asia, conquests and frontier protectorates; these are the expeditions and other things. They are an additional element of uncertainty. The fiscal reserves were balances, taxation, curtailment of public works, optional expenditure, famine grant, contributions from Provincial Governments, periodical revision of provincial contracts, transfer of public works from revenue to capital, as has been done in the case of strategic railways, and so on.

Then these six tables are really an analysis of the different causes which have affected Indian finance during the time?—Yes; they are an analysis of the financial statements and the appropriation reports of the Government of India for the last 30 years and more; they are intended only to give a clear idea of how our finance is getting more and more embarrassed, showing how the clouds are gathering thicker and thicker.

Now, is there any conclusion, which you would like to put before us, that you have yourself drawn from these tables?—Yes, the conclusion is just this, that the position is becoming worse and worse, and might become hopeless, if not looked after in time. Here are the noteworthy features that I have given. On the left-hand side of each sheet I give the facts, and on the right-hand side I give the remarks; and in these remarks my opinions are expressed, and if your Lordship will allow me I will read those remarks—they are nearly the same as I have already explained: (1) Large administrative improvements were required after the Mutiny; (2) Provincial administrations made increasing demands for varied local improvements, not being themselves responsible for funds; (3) Public opinion in England urged measures for material progress (deemed neglected by the East India Company); (4) The commercial interests of England demanded improvements of communications and other

public works; (5) The recurrence of famines emphasized the obligation of the State as to protective works; (a) Private enterprise encouraged in all ways; (b) State agency since 1867 employed to co-operate (100 crores in all spent on public works); (6) War Office measures in respect of the British Army imposed a net charge of 450,000*l.* due to amalgamation and unequal partnership; total expenditure rose from 42.9—49.3; expanding demands for expenditure, (1) General administrative improvement; (2) Public works, productive, ordinary, protective; (3) Provincial needs; (4) War Office demands, (2) and (4) beyond the control of Government of India; necessity for limitation of expanding demands; in respect of (3) provincial decentralization carried out, 1870-71. I have brought in here the salient points of the financial system and its working during the first period. During the second period (1) it was an abnormal period of war and famine; (2) English public opinion continued to urge measures of material progress, yet public works expenditure had to be reduced, which fell from 100 crores to 70 crores during the period; (3) The famines and the vast expenditure required led to the formation of a famine insurance fund, yet the fund was diverted to war; (4) Fresh War Office charges amounting to 48 lakhs due to amalgamation came upon the Indian Budget for increase of military efficiency; (5) What disturbed Indian finance most was a change of policy on North-Western frontier. Imperial policy in Central Asia entered upon a new phase with Russia's conquest of Khiva. Afghanistan was given up as a neutral zone, and the Amir was promised material and moral aid against unprovoked foreign aggression, a change of policy which converted Afghanistan virtually into a British frontier protectorate. The line of the Indus was given up as the border line of British India. Indian finance was loaded with cost of schemes of Imperial territorial expansion in Central Asia; and a preponderance came to be given to military considerations in our financial arrangements, and Indian interests were subordinated to the exigencies of Imperial policy; (6) Exchange difficulty increased. Total expenditure increased by 9.7 crores. Expanding demands, (1) General administrative improvement; (2) Public works, pressure of English commercial interests; (3) War Office demands (amalgamation); (4) Treasury Office demands, Central Asian Imperial policy; (5) Exchange, (2), (3), (4), and (5) all beyond the control of Government of India. In respect of (1) further decentralization. In the third period (1) the period was a disturbed period of war, panic, and military precautionary measures and territorial annexations, costing us about 70 crores during it; (2) English public opinion pressing for material progress, the commercial interests demanding railway extensions, the local services clamouring for increased pay and pensions, and exchange compensation, the strain on Indian finance was severe; (3)

Developments of Imperial policy in Asia involving us in large trans-frontier and other liabilities; Upper Burma and other frontier provinces thrust on our hands for administrative development, which means vast future outlay. India now in touch with the great powers of Asia is necessarily pledged to vast military expenditure. Indian defences weakened. Indian finance at the mercy of military considerations, Indian armies increased; (4) Exchange difficulty enormously increased concurrently with a fall in opium. Grant of exchange compensation allowance. Total expenditure increased by 14.44 crores as against 9.7 and 6.4 of the previous periods. Expanding demands, (1) Public works; (2) War Office demands; (3) Demands of Central Asian policy; (4) Exchange, all beyond the control of the Government of India. Taxation having reached its utmost limits, the enormous growth of expenditure during the period leaves us no fiscal reserve; yet elements of uncertainty and instability of Indian finance have largely grown, and the Government of India is compelled, in the interests of financial solvency, to be able to meet fluctuating and expanding uncontrollable demands to keep tight its hold on every fiscal resource, limiting the means of the provincial administrations on the one side and reserving its freedom of action in regard to famine grants, productive public works expenditure, and provincial contributions.

We have already dealt with the question of Imperial and Provincial net expenditure; perhaps, therefore, we may pass on now to military expenditure?—Yes. Military expenditure. No student or critic of Indian finance will fail to be struck by the position which military charges occupy in the administration of Indian expenditure. It is indeed difficult to enter into a thorough examination of this branch of our expenditure without raising a discussion about certain matters of policy which have been held to be outside the terms of this Commission's reference. My friends, Mr. Morgan Browne and Mr. Wacha, have, however, already placed the views of the Indian people on some aspects of this subject before the Commission, and I have no wish to go over the same ground again. I will, therefore, content myself with a statement of certain additional facts connected with our military expenditure, leaving the Commission to draw its own conclusions from them.

The strength of the Army in 1894-5 was:—

| | | | | |
|---|-----|-----|---------|---------|
| Standing army | ... | ... | ... | 219,778 |
| British troops | ... | ... | 73,119 | |
| Miscellaneous British officers | ... | ... | 921 | |
| Native troops, including British officers. | ... | ... | 145,738 | |
| Native Army Reserve | ... | ... | ... | 13,862 |
| Volunteers | ... | ... | ... | 29,089 |
| Total of armed strength on mobilisation ... | | | | 262,729 |

APPENDIX.

63

A strength even smaller than Japan commands and about equal to that of Greece.

Its cost in 1894-5 was:—

| | | Rx. millions. |
|-------------------------------------|-----|---------------|
| Ordinary expenditure | ... | 20.0 |
| Military works (ordinary) | ... | 1.1 |
| Total (ordinary) | ... | 21.1 |
| Special expenditure during the year | ... | .6 |
| Exchange | ... | 3.6 |
| | | <hr/> 25.4 |

Ratio of ordinary military expenditure to total expenditure, excluding railway receipts, for the year $\frac{25.4}{73.2} =$ nearly 35 per cent., thus comparing with what we have in other countries.

| | | Millions £ |
|----------------------|-----|------------------------------------|
| United Kingdom | ... | $\frac{17.8}{91.3} = 19$ per cent. |
| France... | ... | $\frac{25.9}{138.0} = 19$ " |
| Italy | ... | $\frac{9.4}{72.4} = 13$ " |
| Japan | ... | $\frac{2.6}{16.2} = 16$ " |
| Greece | ... | $\frac{.58}{4.2} = 13$ " |
| British India | ... | $\frac{25.4}{73.2} = 35$ " |
| or omitting exchange | ... | $\frac{21}{73} = 30$ " |
| Russia | ... | $\frac{23.9}{115} = 21$ " |

The growth of our military expenditure, excluding all exceptional items, exchange, and even military works, has been as below:—

| Years. | Average Strength. | | | Average Expenditure in Millions Rx. |
|---------------------------------|-------------------|---------|---------|-------------------------------------|
| | British. | Native. | Total. | |
| 1837-8 to 1856-7 (20 years). | 43,826 | 222,915 | 266,741 | 10·85 |
| 1861-2 to 1873-4 (13 years). | 62,458 | 123,881 | 186,340 | 15·68 |
| 1874-5 to 1880-1 (7 years). | 61,884 | 122,556 | 184,441 | 16·17 |
| 1881-2 to 1884-5 (4 years). | 57,975 | 119,939 | 177,714 | 16·55 |
| 1885-6 to 1894-5 (10 years). | 70,704 | 140,682 | 211,387 | 18·25 |
| 1894-5 ... | 74,040 | 145,738 | 219,778 | 20·1 |

Taking, according to Mr. Kellner's estimate, seven native soldiers as financially equal to three European soldiers, we may summarise the periodical expenditures on our Army thus :—

| Period. | Total Strength European Standard. | Total Cost in Millions Rx. | Charge per Combatant in Rupees. |
|----------------------|-----------------------------------|----------------------------|---------------------------------|
| 1837-8 to 1856-7 ... | 139,383 | 10·85 | 778 |
| 1861-2 to 1873-4 ... | 115,550 | 15·68 | 1,357 |
| 1874-5 to 1880-1 ... | 114,408 | 16·17 | 1,413 |
| 1881-2 to 1884-5 ... | 109,291 | 16·55 | 1,515 |
| 1885-6 to 1894-5 ... | 130,996 | 18·25 | 1,393 |
| 1894-5 ... | 140,400 | 20·1 | 1,430 |

What Mr. Kellner is that ? is that the gentleman who was for a long time in the Indian service ? Yes ; he gave evidence before the Fawcett Committee.

(*Sir Donald Stewart.*) Where did you get those figures, because they do not sound to me to be quite accurate, or nearly accurate, about the strength ?—From various sources—“ Army Commission's Report,” “ Army List,” “ Statistical Abstract ”—in fact, it has been a matter of very great labour.

(*Chairman.*) How did Sir George Kellner arrive at his equation between the seven native soldiers and the three Europeans?—From his knowledge of the Indian Army; that is all I can say. I am unable to go into that question, because I do not know the details; but his opinion has often been quoted.

(*Sir Donald Stewart.*) Do you depend upon this statement that the Army has been increased in the year 1894-5 by 4,000 men?—It is not like that; it is over the average during the 10 years—the average was 70,000 for 10 years. The increase that was contemplated in 1885 was not carried out at once.

In 1894-5 you say it was increased to 74,000?—But in 1893 also it was nearly 74,000.

Is it the average over a series of years?—It is the average for the 10 previous years.

(*Chairman.*) But what Sir Donald Stewart means is that you have given 1894-5 alone?—That is shown separately, because that is the present strength.

(*Sir Donald Stewart.*) Is that the present strength?—Yes.

Then I think it is wrong?—I am open to correction; but, if only a copy of the latest Statistical Abstract is given me, I will point out.

I think about 71,000 is what it ought to be?—I think for 1894-5 I have taken the figures from the Statistical Abstract. During the 20 years preceding the Mutiny, a most eventful period of war and conquest, we had under the Company's rule an armed force about as strong as now, but maintained at nearly half the cost, the charge per combatant being Rs. 775. The Mutiny came, and the transfer of India to the Crown followed; Army amalgamation was carried out, a Staff Corps formed, and other changes in Army organisation effected, and our military expenditure rose at a bound to 14·89 crores from 10·85, the average of the pre-Mutiny period. It has gone on ever since steadily increasing till we come to the present year, when it stands at full 20 crores, exclusive of exchange, the strength being about the same as before the Mutiny. Now, I make a few observations—(a) Looking to the composition of the Army we have 74,000 British troops to 145,738 native troops, or almost exactly in the proportion of 1 to 2. During the 20 years preceding the Mutiny, the proportion of British to Native troops was 1 to 5, and sometimes much lower. The outbreak of 1857 followed; a Royal Commission inquired into the matter in 1859, and in its report submitted the following recommendation to Her Majesty:—"As regards the third question, the proportion "which European should bear to Native corps in cavalry, infantry, and artillery, respectively, your Majesty's Commis-

"sioners are of opinion that the amount of Native force should not, under present circumstances, bear a greater proportion to the European, in cavalry and infantry, than 2 to 1 for Bengal, and 3 to 1 for Madras and Bombay respectively." The proportions thus laid down were recommended in view of the circumstances of the disturbed period, and were not absolute, precluding all future modification as things should change. The present organisation, however, practically rests on that recommendation, the proportion being, as a whole, as 2 to 1, the differential proportion recommended for Bombay and Madras being ignored. Taking the recommendations of the Royal Commission and looking to the local distribution of the armies, we have—

| | Native Troops. | British Troops. | Excess of British Troops over the accepted Standard. |
|---------------------------------|-------------------|--------------------|--|
| Bengal ($\frac{1}{2}$) | 84,614 | 46,379 | 4,072 |
| Madras ($\frac{1}{3}$) | 32,306 | 14,195 | 7,266 |
| Bombay ($\frac{1}{3}$) | 28,878 | 13,466 | |
| | | | 11,338 |

This is the amount of excess British force over the accepted standard which we have in the country, and I submit that there is nothing in the present condition of things to justify such a large departure from the recommendations of the Commission; things admittedly have changed for the better, and with our increasing appreciation of British rule, and growing attachment to Her Majesty's throne, we should have expected the proportions to be modified the other way. As it is, we have on our hands an excess force of more than 11,000 British troops, and taking the cost per European combatant at Rs. 1,430 a year, this excess force burdens our military budget with a needless $1\frac{1}{2}$ crores for more exactly Rx. 1,573,900). $1\frac{1}{2}$ crores a year is rather too heavy a charge for a poor country to bear unnecessarily.

(Chairman.) You observe that the report of the Commission, from which you quote, is very nearly 40 years old?—Yes.

Many things happen in 40 years, do they not?—Yes; but the first proposals were made by that Commission; and the Govern-

ment have always taken their stand on the recommendations of the Commission.

(*Sir James Peile.*) Do you know that Lord Ripon said that his Government had most carefully and thoroughly considered the question, and had come to the conclusion that one European soldier to two natives is the right proportion?—That is true: but this was a Royal Commission that investigated the subject.

Lord Ripon's investigation was a great many years after the Commission?—I know, but it was an investigation by the Government of India itself; this was by a Royal Commission.

You could not trust Lord Ripon to take care of the interests of India?—I should not like to say that; that is a very difficult question to answer in that way.

(*Chairman.*) Would you not lay any stress upon the inquiry made by the Government of India itself?—I attach more importance to a Royal Commission's inquiry.

(*Sir Donald Stewart.*) That was the result of the inquiry of a commission of Indian officials?—Yes, the Army Commission of 1879; in fact the Secretary of State and the Government of India have all along been assuming in their despatches that the proportion should be one to two; but the original recommendation on which the whole thing was based is what I have given, and I only wanted to bring it out; that is all.

(*Chairman.*) Will you go on?—The strength of our existing army is further in excess of the military needs of the country, as laid down by the Army Commission of 1879 by the recent increase of 30,000 troops. That Commission even contemplated, among other things, in framing their estimate of our requirements, "the contingency of operations beyond the frontier, not merely against Russia, with Afghanistan, as our ally, but against Russia assisted by Afghanistan," and as Mr. Ilbert and Sir A. Colvin in their dissent point out, no circumstances have arisen which necessitated these augmentations.

But again, the existing organization of our army is so faulty that it imposes a needlessly grievous burden on the Indian Exchequer. Our army is always practically on a war footing; we have no peace establishment proper; and the strength we could mobilize in an emergency is—including volunteers and reserves—not more than 252,719 men all told. And it is for such meagre armed strength that we have to spend under the present vicious system 25 crores and more a year. While most countries in Europe have adopted short service and the system of reserves, a system which gives them a maximum of combatant strength at a minimum of cost, India alone has to keep up her armies on a war footing even in time of peace and has to pay a heavy

penalty, getting no commensurate return for the money she spends. In these days the armed strength of a nation is measured, as stated by Lord Wolseley, not by the number of men under arms in its standing army, but by the total number of trained soldiers it could put together for active service when needed, service with the colours being but a course of training for the recruits much more than active preparedness for war, and in an emergency the reserves being relied upon as the first line of national defence. While the United Kingdom spends about 18 millions on her army, and has a total armed strength of 588,785 men; France spends about 26 millions, and has an active army of 572,102 with reserves numbering 1,778,000, or a total of 2,350,000; Germany spends 27 millions, and maintains an active army of 562,014, and can mobilize in time of war with her splendid reserves a total force of 30,00,000; even Japan, an oriental country which has so successfully copied the European system, spends 2½ millions on her armies, keeping up a standing force of 37,719, and is able to mobilize a force of 269,748; British India, though she spends even more than the United Kingdom itself on her armies (25 crores), has but a standing force of 219,778, and with the reserves and volunteers, of 252,729 to show, a strength even smaller than that of Japan, and scarcely one-tenth of Germany.

England adopted short service in 1871-2, but did not extend the benefit to the Native Army. How wasteful our existing system is, may be more clearly seen when we find that we have had to add three crores to our military budget to increase our armed force by 30,000 troops.

Taking the two component parts of the Indian Army :—

(a) *British Troops.*

(1) Here we pay for short service, but the advantage of the system goes all to England. The peculiar merit of the system is that it gives a large reserve. Our English reserve is in England, and is not always available to us. Hence the British troops in India are all placed on a war footing.

In respect of the recent increase, the argument strongly urged was that we could not always depend on England for reinforcements, possibly least when we should need them most. Though the Indian revenues contribute so largely to the maintenance of the army reserve in England, we could not count upon getting the British troops augmented in India when we should have to take the field on a large scale. Meanwhile we have to bear the disadvantage of heavier transport charges, due to short service.

(2) We have yet the peculiar disadvantage of short service, a paucity of seasoned soldiers in the standing force. Lord Wolseley

has told us that men of under 2 or 2½ years' service are seldom sent on active service, and whenever mobilization takes place for field service in European countries, it is the reserves that are largely drawn upon. As we have no reserve in India, we pay for a force which is not all available for field duty.

(b) *The Native Army.*

Our Native Army, though theoretically a long-service army, is practically in the main a short-service one. Under the regulations a man can claim his discharge after three years' service, and it is calculated that as many as 80,000 trained native soldiers return to their homes in 10 years' time. The army Commission of 1879 proposed the formation of reserves in order to retain a portion of these 80,000 men bound to the obligations of service, and also in the hope that the reserves so formed in time of peace might "enable the Government to reduce the peace strength of the native Army," and expressed their view that such a restricted reserve system could cause no political danger to the country. The proposed reserves were calculated to absorb 58,200 men out of the 80,000 retiring from the army every 10 years.

The formation of such reserves to the Native Army was decided on in 1885-6, and Lord Dufferin's Government proposed, when Sir Donald Stewart was Commander-in-Chief, to begin with two kinds of reserves, regimental and territorial, of which the latter system was evidently the more suitable of the two, and could have succeeded better. But the Secretary of State vetoed the proposal as far as it related to the formation of territorial reserves, apprehensive of political and military dangers of such a step, and sanctioned only regimental reserves. Accordingly, we have now the feeble and straggling reserve that there is, numbering about 14,000.

Of course, as far as it goes, it is a step in the right direction, however halting, and a strong effort ought to be made to organise on a sound basis a large effective reserve to the Native Army, so as to permit of reduction in its strength, which, while increasing the total armed strength of the country would bring material relief to the finances of the country. The wasteful costliness of the existing system is obvious.

We next come to the *Officering* of the Native Army.

Before the Mutiny, there were two classes of Native regiments, "regular and irregular." In the regular regiments the nominal staff of British officers was 25 strong of whom about 12 were actually present, the rest employed in civil and other departments. In the irregular regiments, there were only three British officers, the rest of the staff being entirely Native. When the armies were reconstructed after the Mutiny in 1861,

the irregular system was adopted throughout the Native Army, first in Bengal and later in Madras and Bombay, with the change that the number of British officers per regiment was increased from three to seven. In 1874-5, the strength of English officers was increased by the addition of two probationers to each corps. In 1882-3, one more officer was added to the cadre; so that we have now eight British officers in each regiment, ousting the Native officers virtually from the entire field of higher regimental command. Before the Mutiny, and in the irregular regiments, the British officers commanded wings and squadrons, leaving the command of the troops and companies on the field to Native officers. Since the transfer and reconstruction of the armies, the field of employment for Native officers has steadily contracted, and they have not now even the command of troops and companies, and hold a lower status in the army. In their place a costly European agency has been put in, thereby imposing a great burden on the finances. My impression is that under Russia the natives races in Central Asia have far more honourable military careers open to them, and the comparison must fill all friends of British rule in India with regret. The late General Chesney, who generally was not with us on Indian questions, has protested against this state of things in most eloquent terms, and I beg to be allowed to read a brief extract from his "Indian Policy":—

"In the cavalry the position of the Native officer has even gone back, for whereas formerly he could rise to the command of a squadron, the squadrons are now commanded by British officers the most junior of whom takes precedence over the oldest Native officer. So far then as the Army is concerned, the Queen's Proclamation on assuming the direct government of India is a dead letter. This proclamation declares that 'Our subjects, of whatever race or creed, shall be freely and impartially admitted to office in Our service, the duties of which they may be qualified by their education, ability, and integrity, duly to discharge.' To a very large number of a most important class of Indian gentlemen, descended in many cases from ancestors who held high military office under former rulers, the only palatable, and, indeed, the only form of public service practical and possible for them is the military, and that is closed to them. While this is the case, it cannot be said that the promise held out in the proclamation is fully acted upon. It may be replied, indeed, that the class in question is excluded from service by the condition of fitness laid down, by reason, that is, of their defective education. And certainly, in regard to a service the routine business of which is conducted in the English language, this contention may be held to be good, if the proclamation is read in a literal sense, without regard to

the spirit which animates it. Some very gallant and distinguished Native officers, among them hereditary chiefs who have brought their clansmen by the hundred to join our standards, men who closely resemble in many respects the chiefs of the Highland clans 150 years ago, have been unable to read or write in any language; yet men labouring under the same deficiency have carved out kingdoms for themselves. A man of this sort, a thorough gentleman in manner and feeling, if illiterate, with all the pride and bearing of birth and high family tradition, leading his own kinsmen like the Highland chief of old, will by his own chivalrous example show his men the way to victory, and that after all is what has to be aimed at in choosing officers" (pp. 268-269).

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It may be, indeed has been, said that the change of policy, here advocated would be dangerous; that men of rank and influence raised to high military position might take advantage of the position; that the mutiny might have had a very different ending if there had been men of rank and ability in the army to take advantage of the opportunity. Plain speaking is here the best. Nothing will be concealed by silence for this defect in our military system is so prominent as to be the subject of constant comment. The studious exclusion of Indians from all but the humblest places in our army is so conspicuous, that only one inference can be placed upon it, that we are afraid to trust them, and the danger from one point of view may be freely admitted. The Indian people are not held to us by any feelings of attachment. When in almost every country of Europe men are found plotting against their fellow countrymen, with the experience of Ireland before us, it would be absurd to expect that loyalty in India should take a higher form than expediency, the recognition that our rule is the best available at present, and that it is too firmly established to be attacked without risk. But apart from any question of justice or good faith, it is surely safer as a matter of policy to have men of talent and ambition with you, their interests enlisted in our system as offering possibilities of high advancement, than that their only chance of escape from a life of obscurity and inaction should be felt to lie in subversion of our rule and the anarchy attendant on such a revolution. There can be little room for doubt on which side the choice should be taken, for much time has already been lost before entering on the course indicated by policy as well as good faith. Meanwhile contrasts not to our advantage are publicly made between the Russian system, its ready assimilation of the races brought under its influence, the utilisation of ability which might otherwise be dangerous, and our hard and fast representative system. And when the step forward is taken in the right direction, it will be satisfactory to consider that while the Army

necessarily contains the elements of danger inherent in every body formed under such conditions, it has been rendered of late years a much safer as well as a more efficient weapon. No one class has been disproportionately increased in strength, while for the indiscriminate infusion of class and caste, the separate class and caste system has been largely substituted. For precaution, the Army must be held to its duty by liberal terms and strict discipline, a still more effectual precaution would be that indicated by considerations of justice and policy, that the military classes, equally with all other classes, should feel that to them a career suitable to their castes and aspirations is open, bounded only by their capacity to take advantage of it, that service under the Queen may offer more than can be hoped for by any other way (pp. 270-271)."

On what occasion did he say that?—This is a work on Indian Polity, and that quotation is from chapter 16.

(*Sir Donald Stewart.*) Which edition is that?—1894.

Even in the lower positions the number of Native officers has sensibly fallen off during the past 20 years. In 1876-7 the number of these officers was 2,812, in 1895-6 it is 2,759—a decrease of 53 officers, though the strength of the Army has risen during the period from 120,672 to 141,257 (*i.e.*, 20,000). On the other hand the number of British officers shows an increase of 149 officers (from 1,431 to 1,580).

Lastly we come to a feature of the existing army organisation, the most wasteful of all.

The Indian Staff Corps is a corps of officers intended for the Native Army as well as for civil employ in the political, police, survey, and other departments, and in the frontier and non-regulation provinces.

When the amalgamation was carried out in 1861, there was a complete change in the system of officering the Native Army. The old supply from the British regiments was stopped, and a staff corps was established in each presidency for the purpose. All officers of the Army except those who declined were transferred to the new corps. The promotion in the new corps was entirely by length of service, not by succession to a vacancy, so that lieutenants became captains, and captains, majors, and so on, though the promotions were not needed for the work of the army. The system is still in force, which is as under:—

- Ensigns on transfer to the corps to become lieutenants.
- Lieutenants after 11 years' service to be captains.
- After 20 years' service to be majors.
- And after 26 years' service to be lieutenant-colonels.

Further privileges were in 1866 conceded to the staff corps. Previous to that year a certain number of lieutenant-colonels succeeded on vacancies occurring to colonel's allowances. These carried with them an extra pension of 664*l.* a year. In 1866 the Secretary of State allowed all officers then in the staff corps and all who might join, to succeed to colonel's allowances after 12 years' service in the grade of lieutenant-colonel, without reference to any fixed establishment of colonels with colonel's allowances. Thus every officer could in future rely on getting colonel's allowances if he lived and clung to the service till he had served 33 years. The general result of this extraordinary system of promotions and pensions has been that the upper ranks of the service are filled with officers for whom there is no work.

The colonel's allowances previous to 1866 were granted only to a certain number on ground of special merit, at the rate of one to 30 officers. Since then it has been indiscriminately allowed to all, and we have now 501 officers in receipt of colonel's allowances on a staff corps of 2,826 strong, *i.e.*, more than one in six officers.

The grant of such allowances is now placed under new conditions, but the heavy burden on the Exchequer due to the measures of the past, taken in the interest of the officers, grows heavier every year. The old system of promotion is still in force; regulated not in accordance with the needs of the services but in the interests of the officers as if the army was for the officers and not the officers for the army.

The whole question regarding the constitution, terms of service, rates of pay and pension in regard to this costly and privileged corps requires to be carefully examined. As it is the whole system rests on an unsound basis, the corps is over numerous and drawing privileged rates of pay and pension, inflicting a heavy burden on the national exchequer.

(*Sir Donald Stewart.*) I presume that you are aware that this system, which you condemn and which probably most people condemn, is coming to an end?—It is coming to an end, but the burdens are still there.

(*Chairman.*) I think that brings us to the services?—Yes. I think we will begin to-morrow with those?—Yes; the remaining portion will not take us long, I think.

The witness withdrew.

(Adjourned till to-morrow at 11 a.m.)

(*Sir James Peile.*) I gather that you hold the doctrine held by Mr. Naoroji and Mr. Wacha of the increasing poverty of India?—I do.

Now your indictment of the Government depends entirely on the truth of that doctrine?—The truth of what?

Of that doctrine that India is falling into deeper poverty?—I have not gone into that question in detail, because that does not come within the terms of the reference. Only in one place have I incidentally referred to it.

Still, if you give it as a state of India which justifies an indictment of the Government, you ought to be prepared to support the doctrine by proof. In fact, you did so, because, I think, you were asked on what you rested that opinion, and you said the condition of the people in famine. Would you please repeat what you said about what happens to the people in famine?—I said that, at the first touch of famine the people suffered in large numbers, and that was a sign that the people were not in a position to bear burdens that were put upon them.

By "the people" do you mean the whole people or the agricultural people?—Well, in regard to famine, those who suffer from famine—the large bulk of the population. Petty traders and artisans also come under the same category, but agriculturalists mainly, of course.

Have you studied the course of prices of agricultural produce in India within the present century? I have given some attention to that, but I cannot say that I have studied the question.

You know, of course, that in the first 20 years of the century there was the wildest disorder prevalent in India. Large tracts were laid waste by fire and sword, villages burnt and people outraged and murdered?—Yes.

After that, order was introduced, and up to about 1850, the prices of agricultural produce fell; do you agree?—I have read such descriptions.

Of course the reasons of that are very obvious. The cultivation extended very rapidly in conditions of peace; produce was very largely grown; there were no railways, so that it could not be carried about easily, and, of course, the value of it fell so that it scarcely fetched any price at all. After about 1850, during the administration of Lord Dalhousie, came the time of the introduction of railways.* From between 1850 and 1860 onwards they were very rapidly constructed; the result of that has been that the values of agricultural produce have risen enormously, is it not so?—In some places they have risen; the tendency has been towards greater equalisation, I think.

No, not merely that. I think I can show you that it is not so. We have periodical revisions of the land revenue assessment, in which the data are the price of produce at the time of the previous settlement before 1850, and the prices at the revision. It is very frequently found that the prices of agricultural produce have risen 100 per cent., or even more, in the markets of the small country towns; and, if you take the settlements of that period, the old settlement before 1850 and the new settlement after, that is invariably the case. Of course, if the settlement to which you are looking back, took place after the railways were introduced, it is probable that there has not been, at any rate, a great rise in prices between that first settlement and the second. Well, the value of the produce exported from, or moved in, the country after the introduction of railways increased enormously. We have also data of the importation of precious metals. I took from the "Statist" a table drawn up by the Bank of Bengal which gave for 33 years up to March 1892 the amount of bullion imported and kept by India. It was 230½ millions sterling in silver and 126 millions of gold; 356½ millions in the aggregate, or an annual average of 10¾ millions. Now I will show presently where part of that went to; you accept those facts, I think?—I accept the figures from you.

Are not these facts that I have mentioned signs of decreasing, rather than of increasing, poverty?—I do not think so.

You do not; can you tell us why?—It all depends on what classes all these things go to. In addition to what you have mentioned you must also be able to show that these increased imports of precious metals found their way into the pockets of the agriculturists—into the pockets of these poorer people.

(*Sir James Peile.*) I will try to show it presently in a question I will put to you.

(*Chairman.*) May I ask a question on that. The fact of these large amounts pouring into India shows that India as a whole was not decreasing in wealth?—I do not think that they are very large sums after all, when you remember what a large country India is. Besides, I should like to know how much of that went to keep up the currency of the country; how much was absorbed by Native States, and how much remained in British India. The whole question will have to be gone into carefully, and mere total figures will not assist us much.

That is not my question. My question is a very simple one. In regard to these figures I speak of India as a whole. Do you admit that India as a whole was increasing in wealth?—I should not admit that; these precious metals do not come in for nothing: a large quantity of the produce of the country goes out as a sort of exchange. I do not think that mere imports of precious metals

can be accepted as an addition, economically speaking, to the wealth of the country.

But you must suppose that the produce that is sold, that passes out as surplus produce and is sold—it is quite a voluntary matter to sell—would be sold at a profit?—Well, as a matter of fact our exports are greater than our imports, owing to these home charges. The fact that such large quantities of precious metals come into the country, shows that the imports in other shapes are fewer than they would otherwise be. I do not think that is any very conclusive evidence of the growing prosperity or poverty, either way; it is simply an economical fact.

But a great quantity of the precious metals coming into a country and stopping there, shows that there is at all events a power of hoarding or accumulating, if it does not go out?—I do not quite see that.

Perhaps you hesitate to accept proofs of prosperity?—I am quite open to correction, but I do not quite see clearly how the mere fact of the imports of gold and silver being so and so can mean that the country is increasing in prosperity. This is a fallacy of the mercantile system long regarded as exploded.

If I find at the end of the year in my banker's account a couple of hundred pounds more than at the beginning, am I a poorer man?—I do not say that; but if your income in one year was a couple of hundred pounds, and so many commodities, and in the next year you get fewer commodities and a hundred pounds more, that does not necessarily mean that your lordship is richer. It all depends on what the total amount comes to.

(*Sir James Peile.*) Well, now, we will go on to your argument, based on famine. Your argument is that the people of India cannot stand up for one year against famine, because they have no resources to fall back upon?—Not exactly that.

Will you state it then, please?—I will take the famine of 20 years back. You were one of the Commissioners who gave particular attention to that, so of course I speak to you on the matter with considerable diffidence, but the opinion I have formed after reading the Famine Commissioners' report is this. So far as our Bombay Presidency is concerned, there were two successive failures of rain, one in 1876 and then in 1877. During the first year the distress was not so very great, but during the second year the distress was most intense. On the other hand this year there has been a famine; the failure of rains, however, was not so great as it was 20 years ago, and yet the extent over which famine now prevails is much larger than the extent over which it prevailed then.

Surely you are wrong in one point, that the failure of the rain was over a smaller area this year than it was in 1876-7?—I am

not talking of other parts of the country; I am talking of the Bombay Presidency at present. Taking the figures on the relief works for Sholapore, for instance, I find the number has now increased to over 100,000—that is about 125,000. Now this figure was never reached even in the worst days of 1877. The highest total was, I believe, about 98,000 then.

Supposing the conditions of work and the pay of the work in this famine are a good deal more liberal than they were in 1876-7?—I do not think it is more liberal than what it was in 1877, *i.e.*, in the second year of the famine—no doubt, in the first year it was very bad, but in the second year things had admittedly improved.

I have not got the exact figures about it, but I am told that is the case?—That is the official view, but our complaint is that the famine relief workers get very insufficient wages at present.

I think it would be a very difficult thing to establish a proposition of that kind, that the people are poorer now and call more largely for relief; that is a somewhat hasty conclusion, I think. Let us return to the general considerations of famine?—I have got some figures to prove my point.

You say that the people generally have no resources, and that they cannot tide over even one year?—Yes.

Now, is that condition of things peculiar to the English Government?—But after 50 or 60, or 100 years of settled government, surely things ought to have improved for the better.

I think they have; but one sees it very often said that the famines are entirely the fault of the British Government?—I never said so.

You have heard of the famine of 1770, before the British Government had anything to do with Bengal?—But I never said that British government brought famines into the country. I do not say—

In which one-third of the population died without any measures being taken to assist them?—I do not know anything about that.

(*Mr. Naoroji.*) Was there not British possession of Bengal before 1770?—Yes; the Company governed under the nominal suzerainty of the Emperor.

(*Sir James Peile.*) We had not direct responsibility for the executive Government?—I think in 1770 you had; it was only two years before the regulating Act.

But, if you look into the form of the government, you will find that the native executive was still responsible?—If you will excuse me just a minute I will find it, because General Chesney

gives it, and I have his book here. In 1770 you were the rulers practically. The nominal ruler was the Emperor; virtually all government was in your hands—the revenue and everything.

The question is whether the British then would be responsible for famine relief?—I cannot go into that question, because I have never asserted that the British were responsible for famines.

I do not wish to go into the question. The point is that India was subject to famines in those days as severe or more severe than they are now?—With this difference that the data about those famines are very insufficient, and this is admitted in the Famine Commissioners' report.

Now, taking the number of persons in relief at the present time, do you know what the total amount is—the highest figure?—Yesterday I read in the "Times of India." I believe, that it comes up to about 400,000 or more at present.

I think it is hardly so large; it got up to three millions?—That was because the reaping was going on in some parts, and some had found employment elsewhere. The last figure was 430,000 or so.

Four millions you mean?—Yes, four millions; I beg pardon.

I do not think it is so many. It got up a little above three millions, and then it fell?—I made a remark to Mr. Naoroji yesterday that the number had gone up by about 30 per cent. since my leaving India.

Now, we will take your figure of four millions?—Yes.

Do you know the population of the provinces in which these relief works are undertaken?—I cannot say offhand.

The Government of India has given the area in which the famine is very bad, and the area in which it is not quite so bad?—Yes.

I think the one was 40 millions of people, and the other 37 millions, I take it, in round numbers?—Yes.

Call it 80 millions?—Yes.

That is 4 millions in 80 millions?—I beg pardon, four millions absolutely destitute, but many, many more in fact who suffer quietly at home, too proud to go to the relief works.

You say they have no resources?—They have no resources; if they starve, that is no resource.

That is an assumption which I do not admit?—I speak from personal experience of the famine in Sholapore. I was there about a fortnight only recently before coming here; I found, as a matter of fact, that there was very great distress.

I have no doubt "distress" most assuredly; still the people manage to live through it?—Well, if you will excuse my saying so, the Famine Commissioners themselves have said that, when 10 per cent.—10 per cent. or 12 per cent. is the figure they give—of the people are on the relief works, then the distress must be described as extremely acute. Now the population of Sholapore district is about 800,000—if I am correct, 700,000 to 800,000. Well, one-tenth of that would be about 70,000. If, therefore, 70,000 were on famine relief, the distress would be extremely acute, and it would be a severe famine. The number of men on relief works at present is about 120,000, somewhere about that, and, therefore, according to that statement in the Famine Commissioners' report, the distress there is very much more acute now than the standard laid down.

I was not at all arguing whether the distress was acute or not?—You seemed to say that 4 millions out of 80 millions did not indicate much distress.

What I was arguing was, that if 4 millions out of 80 millions come and ask for relief, and say they are starving if they do not get support from the Government, that shows that a considerable majority of the population are not driven to that extremity, and are able to support themselves through famine?—I do not think so. Much depends on the social status of the sufferers. There are people of the higher classes who would die rather than go to relief works; in fact, the Famine Commissioners themselves admit so.

What proportion are the highest classes? Are they not a very small percentage?—Not the highest classes, but the upper section of the lower classes. Moreover, the women do not go to relief works above a certain class. They suffer at home; they cannot go out and work; and there are various other things to be borne in mind. It is really difficult for me to go fully into the question off-hand.

You are making all sorts of statements which I do not dispute; but, take the general result that out of 80 millions four millions come and seek for relief, would you not infer from that a very large proportion of the people have resources which enable them to tide over famine?—I do not think so.

You do not think so?—According to your own standard, 10 per cent. represents severe distress; out of 80 millions, what would 10 per cent. be? I do not quite see how the whole thing would work.

Well, 4 millions to 80 is how much? It would be 5 per cent.?—But it must be remembered that this is the first year of the famine; besides, the total 80 millions includes also areas where

the distress is not acute—where the distress is only mild, and all that.

(*Sir James Peile.*) Let us proceed, because I merely wish to go into very general considerations, and not into particulars.

(*Chairman.*) May I ask here, have you any returns of the mortality caused by this famine?—It is for Government to give those returns; the Government have not yet published them.

(*Sir James Peile.*) They cannot yet, of course?—Sir William Wedderburn has been asking for them in the House of Commons for some time.

Yor can hardly get them yet?—I do not think it is so very difficult.

(*Chairman.*) Are there any returns showing what the mortality of the famine districts is, and whether it is very much in excess of the ordinary rates?

(*Sir James Peile.*) It varies very much. In some it is in excess, and in others it is not in excess?—I remember a statement drawn up by Mr. Goodridge who was recently Judicial Commissioner of the Central Provinces; and in it he gives the mortality for several districts in the Central Provinces, and the increase in several places is three or four times the normal rate.

You mean lately, this last year, in this famine?—In this famine. During the early part of it?—Yes, during this famine.

Well, now, what class of persons suffer first?—In case of famine?

Yes?—I can speak from personal knowledge of my Presidency only. They are the small agriculturalists who hold direct under Government; they are the persons.

Who first feel it?—Of course, simultaneously with others; the day labourers—

Do not the weavers feel it first generally?—The weavers also; they are in the first ranks.

Do the farm labourers come next?—Well, they also go with them.

Before the agriculturalist?—By agriculturalist I mean those small agriculturalists who are also labourers, not the landlords in whose name—

You mean the ryots, the peasant occupiers?—Yes, for the most part. A great many of them work on the soil themselves in Bombay.

Farm labourers, then?—Yes.

Weavers, and then farm labourers. Well, if you take farm labourers and mill hands in England, supposing that a great calamity fell upon England, and the food supplies were suddenly stopped, do you think that farm labourers and weavers and mill hands, and so on, would have resources which would enable them to live over the period of high prices which would result?—That is a very hypothetical case, because such a calamity never seems to come to England.

(*Chairman.*) The actual case did happen in the cotton famine of 1860?—I think that was a very extraordinary occasion, and your people assisted them, I believe, very well here.

But I want to point out that that has happened?—Only once in a way; that is, not so often as we have in India.

The question was whether such a thing had happened?—And it was, besides, a very small class, merely the operatives in mills, I believe, in Lancashire.

We do not think that the operatives in Lancashire are a very small class?—I do not say so. But the agriculturalists in India are about 80 per cent. of the population; the operatives in mills here are not such a large class.

(*Sir James Peile.*) There is another question I want to ask; is it a fact that the people have shown that they have no resources? Are you aware what happened in the last famine, when silver ornaments of enormous value were sent down by people up country to the mint to be coined owing to pressure of famine in order to obtain the means of support?—But that itself shows the extreme acuteness of the distress. Every woman in India, for instance, feels that she must have a certain minimum of small silver ornaments; well, owing to the customs of the people, that is almost as necessary as the breath of life; you cannot construe that into the wealth of the people.

My question was whether in time of famine they do not use that accumulation of ornaments to sell or dispose of, and so obtain food?—As a last resource they do.

Is it not, then, a resource?—It is a resource, but it is a very crude resource to use.

I find that the last total is 2,800,000 on relief works?—Is that so I beg your pardon. But your figure, I think, does not include all the children who are receiving relief.

I will just wind up what I was saying. Then, to sum up, it seems to me that you must greatly modify this statement that the bulk of the people have no resources?—I do not see how.

In respect of having all those ornaments sent down to be coined?—That does not prove that the ornaments are increasing; nothing has been said about that.

My question was whether the people have any resources?—The question is a relative one, whether the resources are increasing or decreasing.

I have shown two points; an enormous portion of the agricultural population do not go on relief at all; and, secondly, they possess a considerable fund in the shape of ornaments, which they coin when the famine attacks them. I say, having those two points in view, must you not greatly modify the statement that the bulk of the people have no resources and fall down at once?—They have comparatively no resources; that is what I mean; I do not see any reason to qualify it.

Very well, that will do; and also I have shown that there are very important facts which point rather to a decrease than to an increase of poverty?—I should like to know them.

I gave them to you before?—They have not convinced me, at all events.

We traced the rise of agricultural prices?—But that means that everything has gone up, including the cost of agricultural produce; then, the agriculturalist has had to purchase certain other things for himself; and these too have gone up in price.

Let us take that for a moment; the agriculturalist grows his own seed?—Yes.

He also grows his own food?—Very little remains for himself.

There you are begging the question. What remains he sells; and he gets the increased prices?—That is only the theory of the subject.

That is not the theory; that is the positive fact in every house in the country. I think it is useless to prolong this discussion?—It is not a fact.

(*Sir William Wedderburn.*) Is it not the case that the ryot is so much in the hands of the money-lender, that is to say, the trader, that he has to give him his produce at the price that the trader chooses to give him for it?—That is what I meant to explain just now, but I was asked not to go on.

And your general proof of the increasing poverty of the people is that, whereas in the late famine the people were able to stand up against the first failure and only suffered very materially in the second failure, in the present famine they have shown no power to stand up against the first failure?—That is what I mean.

(*Sir James Peile.*) I must ask for a little evidence of that.

(*Sir William Wedderburn.*) And that on the first failure on this occasion there are more people seeking relief than there were on the second failure in the first famine?—Yes.

That is your argument?—Speaking for the Sholapore district, of which I have experience.

And you deduce from that that the people are in a rather worse condition than they were before?—Yes.

And that the fact of their dying from hunger is evidence that they have no resources to fall back upon?—Yes.

(*Sir James Peile.*) But is there any proof whatever that they have come more largely on to works?—I gave you the figures for Sholapore.

And I gave you the official figures. Will you now read them?—I cannot go into the whole question, but I know about one district, the Sholapore district.

I do not think this is anything to the point. We want the total figures for all India, which you gave us as 4,000,000 on relief works?—Well, I am open to correction as to a matter of fact.

Will you give us what it is in the official communication which I have put before you?—It is 2,800,000.

Then the whole argument falls to the ground on the figures?—It does not. I never based it on 4,000,000 or 3,000,000. I based it on our experience in the district of Sholapore. I know for a fact that there the number on relief is about 120,000, and on the last occasion, even in the second year, it was less than 100,000.

And if the famine this year is a great deal worse than on that occasion, and if the terms and conditions of the relief works are more liberal than they were on the last occasion, then you naturally get more men on the works?—I myself heard the Collector of Sholapore say that this year it was only an "eight anna" famine at Sholapore. It was not so intense as the famine of 20 years back, although the extent was greater, and there were many more people who suffered than before.

What is the comparative price of food?—I cannot give an off-hand answer to that question.

That would be the leading point of the whole question, would it not?—If I had expected to be cross-examined on this point I would certainly have come prepared. But I thought this was outside the terms of the reference to the Commission.

You are making statements. Of course one must examine into them?—I beg your pardon. You make statements, and I only reply to them.

You make statements in regard to Sholapore, and I see Sir William Wedderburn has tried to give point to them by putting to you that the people are in a worse condition?—I beg pardon. I did not volunteer these statements. You said the famine was not more intense, although the extent of area affected was great. I say it is a milder famine, but it is causing much more suffering.

I said the extent of area covered by the famine was greater than the last and it is an undoubted fact?—Well, I see no use in pursuing this matter further.

(*Chairman.*) I will now pass on to where we left off yesterday, the services?—My Lord, I will say just one thing about the figure of 4,000,000. I gave that as only my recollection after reading a weekly paper yesterday. It may be wrong; there might be a misprint; but I did not take my stand upon this particular figure, and now that this authoritative statement is put into my hands I am ready to modify my own. Your Lordship will see that I based no argument on that 4,000,000.

I think you were going to offer some observations on the services?—Yes. In every department of Indian expenditure the question of agency is one of paramount importance. According to a Parliamentary return of May, 1892, we have in India in the higher branches of the civil and military departments, a total of 2,388 officers, drawing Rs. 10,000 a year and upwards, of whom only 60 are natives of India, and even these, with the exception of such as are judges, stop at a comparatively low level. And they are thus divided:—

| | Natives. | Eurasians. | Europeans. | In Thousands of Rupees. | | |
|---------------------------|----------|------------|------------|---------------------------|------------------------------|------------------------------|
| | | | | Total Salaries of Natives | Total Salaries of Eurasians. | Total Salaries of Europeans. |
| Civil Department. | 55 | 10 | 1,211 | 947 | 151 | 25,274 |
| Military. | 1 | 1 | 854 | 12 | 11 | 13,268 |
| Public Works. | 3 | 4 | 239 | 33 | 45 | 3,415 |
| Incorporated Local Funds. | 1 | — | 9 | 10 | — | 113 |
| Total. | 60 | 15 | 2,313 | 1,002 | 207 | 42,070 |

In addition to these the railway companies employ 105 officers, drawing Rs. 10,000 a year and more. They are all Europeans and their total salaries come to 16 lakhs 28 thousand rupees. If we come down to officers drawing between Rs. 5,000 and Rs. 10,000 a year, we find that we have 421 natives in the civil department, as against 1,207 Europeans and 96 Eurasians. In the military department there are 25 natives as against 1699 Europeans and 22 Eurasians. In the Public Works Department there are 85 natives as against 549 Europeans and 39 Eurasians. And in the Incorporated Local Funds there are four natives as against 22 Europeans and three Eurasians. The total salaries of officers of this class are thus divided:—Civil Department, Natives, 2,905,000; Eurasians, 650,000; and Europeans, 8,830,000. In the Military Department, Natives, 164,000; Eurasians, 139,000; and Europeans, 13,698,000. In the Public Works Department, Natives, 537,000; Eurasians, 278,000, and Europeans, 3,962,000. And in the Incorporated Local Funds, Natives, 25,000; Eurasians, 17,000; and Europeans, 146,000. In addition to these there are, under the railway companies, 258 officers of this class, of whom only two are natives, eight being Eurasians and 248 Europeans. Their salaries are thus divided:—Natives, 12,000; Eurasians, 50,000; and Europeans, 17,10,000. In England 125,360 £ is paid as salaries by the Indian Government, and 54,522 £ by railway companies, all to Europeans. The financial loss entailed by this practical monopoly by Europeans of the higher branches of the services in India is not represented by salaries only. There are besides heavy pension and turlough charges, more than 3½ million sterling being paid to Europeans in England for the purpose in 1890. The excessive costliness of the foreign agency is not, however, its only evil. There is a moral evil which, if anything, is even greater. A kind of dwarfing or stunting of the Indian race is going on under the present system. We must live all the days of our life in an atmosphere of inferiority, and the tallest of us must bend in order that the exigencies of the existing system may be satisfied. The upward impulse, if I may use such an expression, which every school boy at Eton or Harrow may feel, that he may one day be a Gladstone, a Nelson, or a Wellington, and which may draw forth the best efforts of which he is capable, that is denied to us. The full height to which our manhood is capable of rising can never be reached by us under the present system. The moral elevation which every self-governing people feel cannot be felt by us. Our administrative and military talents must gradually disappear owing to sheer disuse, till at last our lot is stereotyped, as hewers of wood and drawers of water in our own country. The Indian Civil Service is nearly 1,100 strong. Under the rules of 1879, since abolished, we were entitled to one-sixth of the

whole recruitment, and in course of time we should have had about 180 natives in the Indian Civil Service. The Public Service Commission, appointed by Lord Dufferin, proposed the abolition of those rules, and recommended that 108 posts, usually held by covenanted civil servants, should be set aside for Indians. The Government of India and the Secretary of State thought this recommendation too liberal, and ultimately decided to throw open only 93 such posts to which the native of India may be appointed, after certain existing claims, were satisfied. That these higher posts are guarded with extreme jealousy as practically a close preserve, may be clearly seen from the following illustration. Mr. Jacob gives, in Appendix 16 of section II. of this Commission's Report, the total number of District and Sessions Judges in India as 126. Out of these only five are shown as natives. Now the capacity of natives for the efficient discharge of judicial duties has been over and over recognised, and the Public Service Commission expressly recommended that one-third of all District and Sessions Judgeships should be given to natives, which meant 42 out of 126. Instead of those 42, however, we have at the present day only five native District and Sessions Judges. So, again, in the Police, out of 230 district superintendents only three are natives. Only five natives qualified to do the work of District and Sessions Judges, and only three for the work of Police Superintendents in all India, after close on a century of British rule! The same is the case with the Forest, Accounts, Opium, Mint, Scientific, and other departments. In the Public Works Department we have a total strength of 800 engineers, of whom only 96 are natives. The Indian civil engineering colleges have been working for years, and yet not more than 96 of their trained graduates are to be found in the higher branches of the engineering service. In this connexion I may mention that the Finance Committee of 1886 recommended that the connection of the Indian Government with the Cooper's Hill College be terminated as soon as possible, and that there be a larger recruitment of students of Indian colleges. This recommendation, however, was not accepted by the Government of India. I may also be permitted to make one or two general observations here on this Public Works Department. This department has been for a long time overmanned, and Lord Dufferin's Finance Committee thought it necessary to pass some severe criticism on the point. The sanctioned strength is 760. The actual strength in 1884-85 was 898, in 1893 it was 857, and now it is about 800, which is still 40 in excess of the sanctioned strength.

(*Sir James Peile.*) In the Civil Department? You mean the Higher Department?—Above Rs. 10,000 a year.

(*Chairman.*) May I ask, was 760 the number of which Lord Dufferin's Committee approved?—Yes. It was sanctioned by the Secretary of State. Ever since the expansion of the Department

in 1860, and notably from 1868 to 1875, we have had the superior staff arranged less with reference to the work to be done than to the condition of things as regards the position of officers. I may mention here briefly that these points have been expressly admitted, by Sir Theodore Hope, who was in charge of the Public Works Department for a considerable time. There has frequently been hasty and irregular recruitment during the periods of expansion, followed by blocks in promotion, requiring in their turn corrective efforts in the shape of special allowances or better pay and pensions, not founded on a consideration of the executive needs of the Department. And more than once officers have been specially induced to retire from the service on very favourable conditions as to pensions, to reduce the redundancy of officers.

That is a very intelligible criticism on the administration, but, may I ask, is not that common to all administrations?—I do not know any country to which that kind of charge does not apply, namely, that in one shape or another, under pressure or owing to error on the part of the Government, charges, which part of the community think excessive, are incurred. That is not peculiar to India, is it?—I do not know much about other administrations.

(*Sir William Wedderburn.*) Might not that difficulty be met by the temporary employment of natives of India instead of taking on permanent European officials who have claims for permanent service and pensions?—Yes, and I would also add that these special concessions are general, and invariably made in the interests of the European services only. I do not know a single instance where native services have ever clamoured for increased pay or pensions, or ever got any concessions. The Finance Committee of 1886 recommended that Royal Engineers in the Indian Army should be put on the Civil Staff, remarking that “it is necessary to maintain a considerable establishment of “Royal Engineers in India for military requirements. . . . , “Such of them as are not needed for purely military duty in time “of peace can be best employed in the Public Works Department, “and should, in our opinion, have the first claim for employment “in that Department in preference to all others,” and the committee suggested that the Military Works Branch of the Department should be abolished as a separate branch for military works, and amalgamated with the general Department. The suggestion as to the abolition of the Military Works Branch has not been carried out, and only 70 Royal Engineers from a total of 273 are at present on the civil staff, the greater number of the remaining 200, or so, doing little or no work. It may be added that these suggestions of the Finance Committee had the full approval of the then Commander-in-Chief.

(*Chairman.*) Do you consider it advisable to do away with the Civil Engineering Staff altogether?—I only mention what the Finance Committee themselves recommended.

Do you advocate total abolition?—Well, the recruitment from Cooper's Hill College was to be stopped; they said that for the most part the recruitment should be from the Indian colleges.

You said "for the most part." Do you think the military engineers were to form the total engineering staff of the Government?—I have not quite caught the question.

Do you consider that the Finance Committee recommended that the civil staff should be entirely done away with, and that the whole of this engineering staff should be supplied by the military?—Oh, no, not at all. They said that there should be European civil engineers; but that no special places should be given to a particular college, and that every man should be recruited in the general market; also a much greater recruitment might be made in India.

Well, do they consider the point, how far you could attempt to weaken the military staff?—They themselves said they were not exactly in a position to say how much the Royal Engineers could be reduced; but they said the Royal Engineers were not doing much work, and that such a large number as 127, which was the strength then, was not required for the repairs of barracks and such small things as they had to do.

You say 70 Royal Engineers are employed on the civil staff at present. I want to know whether the strength of 70 Royal Engineers at all corresponds to the numbers which were in the minds of the Finance Committee, when they recommended that military engineers should be employed on the civil staff?—I do not think so. I think this is the tenor of their recommendation. They thought that by far the larger portion of the Royal Engineers should be employed on civil duty. Moreover, they proposed that the Military Works establishment was to be amalgamated with the civil. In that case, the Royal Engineers would be amalgamated with the civil staff, and they would do military work where that was necessary, and they would do other work, civil work, when they had no military work to do.

But I do not understand from this that the Committee inquired into, or formed an opinion as to, how many men were necessary for the military works? It seems to me that the first point to be ascertained, before military men are drafted away to do civil work, is to what extent you could afford to do it; and the Committee do not appear to me, from your statement, to have taken that into consideration?—They said the information at their disposal was not sufficient to justify a recommendation on

that point. But then under this scheme there would have been only one General Public Works Department, and the Royal Engineers and the Civil Engineers would have all belonged to that one Department.

But I am keeping to the military engineers; I see that out of the force which you mentioned as 127—?—70 are on the civil staff at present.

Did you not mention 127 Royal Engineers?—That was the strength at that time, yes.

Well, at present, 70 are employed on the civil staff. It does not seem clear to me at present that the real meaning of the Committee has not been given effect to, if there are 70 so employed out of 127?—Out of 273 at present; the present number is 273.

That is the total force?—The total number of Royal Engineers at present is 273.

Is 273. Well, what I want to ascertain is, whether the Finance Committee, who seem to have been rather vague upon this point, would have considered 70 out of 273 as practically satisfying their objects?—I am not qualified to express an opinion on that; but the impression on my mind, after reading what they have written, is that they would not have been satisfied. They expected a much larger proportion to be employed on civil work.

But at the same time, if they did expect it, it was a shot in the brown, because they had not taken means to ascertain how many of these Royal Engineers would be required for military purposes?—It should be remembered that their view was supported by Lord Roberts at that time—by the Commander-in-Chief.

And did he name any numbers?—No, because he also proposed an amalgamation, so it was not thought necessary to mention a special number.

Well, we will now pass on to the exchange compensation allowance, upon which, I think, you wish to offer some observations?—This allowance was granted to all non-domiciled European and Eurasian employees about the middle of 1893, and the figures for the last three years have been as follows:—

| Year. | Amount in Rx. | | |
|---------|---------------|-----|-----------|
| 1893-94 | ... | ... | 618,468 |
| 1894-95 | ... | ... | 1,239,275 |
| 1895-96 | ... | ... | 1,327,632 |

I have taken these figures from the Financial Statements. The allowance consists in converting half the salary of each officer into sterling at the rate of 1s. 6d. to the rupee, subject to a maximum of 1,000*l.*, and then converting it back again into rupees at the current rate of exchange. Practically, it has amounted to a general increase of salaries. Now, in the first place, it is admitted that these employees of Government had no legal claim to the compensation. The pay of the European soldier in India is fixed in sterling, and the Government have now to make to him a much larger rupee payment than before. Nobody, however, has ever suggested that this rupee payment should be reduced. If anyone had made the suggestion, he would have been told that the soldier was legally entitled to it. The guaranteed companies are now getting 5 per cent. on their capital, though they do not earn so much, and though Government can to-day borrow at the rate of $2\frac{1}{2}$ per cent. If anyone were to say that 5 per cent. was now too high a rate to pay, and that the companies should be asked to be satisfied with less, he would be told "a contract is a contract." My point in giving these illustrations is this: if existing contracts are not to be disturbed *in favour* of the Indian Exchequer, why should they be disturbed against it? Secondly, if the European employees of Government suffered from the fall in exchange, Government itself, as representing the taxpayers, suffered much more from the same cause. When such a general misfortune has overtaken all classes of taxpayers to single out a particular class for special relief by imposing additional burdens on the remaining classes, and these not well able to bear them, was entirely unjust. Thirdly, though it is quite true that the fall in exchange has considerably lowered the gold value of the rupee salaries, the salaries themselves were so excessively high, considering especially the great change that has taken place in the facilities and means of communication between England and India, that even with the fall in exchange they were very high. I think it will be admitted that non-official Anglo-Indian testimony on this point is very valuable. The Bombay Chamber of Commerce is recognised to be one of the foremost and most important representative bodies of the English mercantile community in India. This Chamber, in writing to the Finance Committee on the subject of reduction of expenditure in 1886, thus wrote on the subject of salaries paid to Englishmen in India:—"The question of the salaries paid by Government to its servants is one on which the Chamber holds very decided views. The just apportionment of remuneration to the exact quality and quantity of work done may, from the standpoint of individual cases, call for very nice discrimination and intimate knowledge of the circumstances surrounding each appointment; but the chamber, having many amongst its members

"in a position to form a true estimate of the standard of pay
 "necessary, at the present day of widespread education and keen and
 "increasing competition among the members of the middle classes
 "for responsible employment, to ensure the attainments required
 "from civil servants, covenanted and uncovenanted, does not hesitate
 "to say that the entire scale of remuneration, but more especially
 "of the senior classes, is pitched at too high a level. At the time
 "existing rates were settled, not only did the requisite educational
 "acquirements command a higher premium than they do now, but
 "there were other considerations calling for monetary compensation.
 "in former days an Indian career practically entailed expatriation,
 "officials frequently lived very solitary lives, were exposed to ex-
 "ceptional temptations, and exercised great responsibility. In latter
 "years these conditions have been greatly mitigated, and in some
 "cases thoroughly reversed. Communication with England is con-
 "stant and rapid, life in India is healthier and attended with more
 "comfort and less expense, whilst control is so centralized that
 "responsibility is, in a great measure, taken out of the hands of
 "officials except of the highest ranks. Under these circumstances,
 "a revision of all salaries, but particularly those above, say, Rs.
 "1,000 per month, is manifestly justifiable and called for. In all
 "recent discussions on this subject the decline in sterling exchange
 "has been urged as a strong argument for non-reduction; but in
 "the view of this chamber that is a matter which Government should
 "not take into account. What it has to look to is purely the amount
 "it must pay under all existing conditions and circumstances, in
 "order to secure the necessary qualified labour in this country,
 "leaving individuals themselves to provide for the wants of their
 "families in Europe, and their own requirements for leave. The
 "Chamber, in fact, would go even further than this, and advocate
 "that, under the new rules for future contracts, all civil pensions
 "and retiring allowances should be paid in the currency of the
 "country. India is no longer a *terra incognita* to the
 "educated classes of England, and even under the com-
 "paratively less tempting inducements indicated above, the
 "Chamber feels convinced that there would be no lack of suitable
 "men ready and anxious to recruit the ranks of the service.
 "This naturally leads to the consideration of the economy practi-
 "cable by a larger employment of natives. Much might, doubt-
 "less, be saved in this way, particularly in connexion with the
 "Judicial Department, where the opening for efficient native
 "agency seems widest; but the Chamber is not prepared to for-
 "mulate, nor possibly your Committee to discuss, a settled
 "scheme for the entrance of natives into the covenanted and
 "uncovenanted services."

May I ask what you mean by all "classes"?—Well, the whole country, because we had to pay increased taxation, or rather we did not get the relief we might otherwise have got.

"General misfortune had overtaken all classes" would rather seem to me to mean that every class in India had suffered by the fall in exchange?—The taxpayers; I would modify it in that way.

And when you say that all classes have suffered, you mean that, in order to provide this exchange compensation allowance, money was appropriated to it which might have been applied to other better objects?—That is what I mean.

(*Sir William Wedderburn.*) All classes of taxpayers, I suppose?—I should put it like that.

(*Chairman.*) When you quote the Chamber of Commerce as an advocate that all civil pensions and retiring allowances should be paid in the currency of the country, have you turned your attention to what is done in colonies?—No, I only place before the Commission the Chamber's view.

But I presume you are supporting that view?—It commends itself to me; yes, I support it.

Do you know at all what is the rule in Ceylon?—No.

Perhaps I might mention it to you; there, I believe I am right in saying, the salaries are fixed in rupees?—I am glad to hear it.

I want to see what the Chamber of Commerce are asking in this respect?—Well, they ask for a reduction of the salaries of the civil servants.

Yes, but they say here that "all civil pensions and retiring allowances should be paid in the currency of the country"?—Yes, they go further, and say that the pensions of civil servants, which are fixed at 1,000*l.* sterling, should also be fixed and paid in the currency of the country.

That is what they mean, that this rule should be confined to the pensions paid in this country?—Yes, all pensions that are drawn in sterling should be fixed and paid in rupees; that is what they mean. I will give you an illustration: Take the uncovenanted civil servants; their pensions were fixed at *Rx.* 500 a year. In several cases they were 600, but 500 was the general rule. When the rupee began to go down, they agitated for a special concession. Sir Henry King espoused their cause, and in 1890 they got a special rate fixed at which rupees should be turned into sterling, namely 1*s.* 9*d.* Here were rupee pensions which were converted into sterling at a fixed rate.

That is to say, those pensions were practically fixed in sterling?—They were fixed in rupees originally but they were converted into sterling in 1890.

But from that time they were practically in sterling?—They were practically in sterling, yes.

The letter of the Bombay Chamber continues:—"All I am instructed to lay stress upon in that direction is that, when Government decide on the competence of Natives to hold certain posts, due allowance should be made in fixing their pay for the proportionate cost of living and expenditure between them and Europeans of a like grade."

Fourthly, assuming that some relief was needed, it was most unfair to give the allowance to all. I mean men who went out to India after the rupee had fallen below 1s. 4d., i.e., who accepted the rupee salaries with their eyes open, as also those who had no remittances to make to England—these, at any rate, ought not to have been granted the allowance. This indiscriminate nature of the grant constitutes, in my opinion, its worst and most reprehensible feature. No wonder after this that the Indians should feel that India exists for the European services and not the services for India. While the miserable pittance spent by Government on the education of the people has stood absolutely stationary for the last five years on the ground that Government has no more money to spare for it, here is a sum larger than the whole educational expenditure of Government given away to its European officials by one stroke of the pen.

The salaries of some of the officers are fixed in rupees by statute. The grant to these men seems to be illegal as long as the statute is not amended. The question, I understand, has been raised, but it has not yet been disposed of by the Secretary of State. Meanwhile the allowance continues to be paid to these officers pending such disposal.

The next branch to which I would call your attention is that of Education?—The meagreness of the Government assistance to public education in India is one of the gravest blots on the administration of Indian expenditure. No words can be too strong in condemning this neglect of what was solemnly accepted by the Court of Directors in 1854 as a sacred duty. During the last four or five years the Government grant to education has been absolutely stationary. In 1891-2 it was Rx. 889,173.

(*Sir James Peile.*) Is that net or gross?—Gross; the receipts have not been deducted, but, if they were deducted, it would be still worse. In 1894-5 it was Rx. 910,972, showing an increase of only Rx. 21,800 in four years. But even this increase was only an addition to the salaries of European officials in the department

in the shape of exchange compensation allowance, as may be seen from the fact that while there was no charge for this allowance in 1891-2, in 1894-5 the compensation to educational officers was Rx. 18,800. About Rx. 30,000 is the increase in five years. Side by side with this might be noted another fact, viz., that during these same four years the Government expenditure on public education in Great Britain and Ireland increased from 5 millions to nearly 9 millions sterling—the contrast is too powerful to need any comments. One cannot help thinking that it is all the difference between the treatment of children and step-children. There are more than 537,000 towns and villages in India, with a total population of about 230 millions, and yet there are less than 100,000 public primary schools for them. The population of school-going age in India is about 35 millions, out of whom only about 4 millions (including those attending private or unaided schools) are under instruction, which means that out of every 100 children of school-going age, 88 are growing up in darkness and ignorance and consequent moral helplessness. Comment on these figures is really superfluous.

I may add that in 1888 the Government of Lord Dufferin issued a Resolution, which amounted to a virtual change of policy in the matter of education. Only four years before that Lord Ripon had issued a Resolution, addressed to all Provincial Governments, urging them to increase their expenditure on education and even offering assistance from the Imperial Exchequer, where absolutely necessary. In 1888, however, Lord Dufferin directed the Provincial Governments, in express terms, to gradually reduce the share contributed by Government to public education.

(*Chairman.*) Has the Resolution been published?—Yes, it is appended to Sir Alfred Croft's review of education from 1882 to 1886. It was published in 1888.

(*Sir James Peile.*) I do not get the figures to correspond to yours?—If I get a copy of the Statistical Abstract, I will show them.

I think you have not taken education managed by local bodies?—No, of course not; that is separate altogether.

Why?—That is local taxation; it is not contributed from provincial revenues. In the Statistical Abstract itself the figures are represented separately. The first column is from provincial revenues, the second is from local rates.

But local rates, that means one-third of the cess on land revenue?—Yes, but that is for local purposes. According to your view municipal money might also be added.

Certainly?—That is not a Government contribution. The 5 Millions and 9 millions I have spoken of as expenditure in England do not include local rates.

You are merely giving what the Government itself provides out of the taxation fund?—It might be said that is local taxation, whereas this is provincial taxation.

Did you include the scholars who were taught in the local rate schools in the total that you took?—I have taken all.

(*Chairman.*) Are the 4,000,000 scholars you have mentioned out of 85,000,000 aided out of local rates as well as out of the public taxes?—And even those attending schools not aided. There are some schools in India that receive no aid from Government. Anybody who attends a school is included.

(*Sir James Peile.*) The number of educated persons has largely increased?—Well, of course they must increase in that way.

It is always increasing. It is increasing, and it began from a very low scale indeed under native rule?—That I admit. But of course the British Government should never think of comparing itself with previous Governments in such matters.

It must begin where they left off, you know?—What I complain of is this change of policy. Lord Dufferin distinctly called on Provincial Governments to reduce their educational expenditure.

On higher education?—No, on all education.

You mean that he wished to elicit the spontaneous energy of the people in promoting education. That is what he says, I presume?—He says the share of Government must be reduced, that is all he says.

On what ground?—He says the work of Government is to pioneer the way; that is how he puts it. That has been done, and now these things must be left more to the people.

Was not that what Lord Ripon said four years previously?—No, certainly not.

(*Chairman.*) You have not got that Despatch here?—I could give you the reference. There was the review of the education in India by Sir Alfred Croft, Director of Public Instruction in Bengal, after the Education Commission. It is the first quinquennial review published by Government, and there is prefixed to that review a resolution of the Government of India dated June 1888, passed upon it. If that volume is brought I would read it to you. I wanted to bring my copy, but it was too heavy.

While the book is being got out, perhaps we might pass on to the subject of railways?—Yes, my friend Mr. Wacha has gone into this question in great detail, and I will only add one or two observations to what he has said. In the evidence already recorded by the Commission, satisfaction is expressed in one or two

places that in India the working expenses of railways form a smaller percentage of the total railway receipts than in England, and the conclusion seems to be drawn that Indian railways are constructed and worked more cheaply than English railways.

Are you putting that forth as a grievance?—No, no; I am only stating what strikes me as a conclusion not quite warranted.

The fact remains that railroads were constructed cheaply, whatever the reason?—Not cheaply as judged by the Indian standard; certainly cheaply compared with the English standard. If they used more native agency, the working expenses would be even lower. Before the Fawcett Committee the whole question was gone into. In the case of the Great Indian Peninsular the actual expenditure very largely exceeded the estimates; it nearly came to double the estimated amount. Mr. Thornton, who was Secretary in the Railway Department, I believe, has himself stated that the whole thing was done very badly and very extravagantly.

But the fact still remains that of almost all the railway systems in the world the working expenses of the Indian railways bear the smallest relation to the gross receipts; therefore that means that, as a Government speculation, it is a beneficial one?—I do not think so, my Lord, for this reason, that our wages are very low, and therefore the working expenses must be low.

Still that does not alter the fact that the undertaking is a profitable one, that is all?—I will make a few remarks on that afterwards.

I say that, if the working expenses of a railroad are 45 per cent. of the gross receipts, it shows that the undertaking is more profitable than if they are 70 per cent.?—That is true.

I do not want to go further than that, because that is quite sufficient for me?—I might, however, state that this lower percentage of working expenses is not peculiar to our railways only, but is, in fact, a necessary condition of all industrial undertakings in India. Labour with us is very cheap, while capital is very dear, so a much larger margin is necessary for profits, and a much smaller one suffices for the working expenses than is the case in England. The mere fact, therefore, that the working expenses of Indian railways form a smaller percentage of the total receipts than they do in England does not in reality prove anything. Meanwhile it may fairly be asked, if Indian railways are, on the whole, a profitable undertaking, why do English investors, with all their enterprise, almost invariably insist on a Government guarantee of interest in one form or another? There was an excuse for the first companies requiring such a guarantee. But after so many years' experience of Indian railways, and after so many protestations, both from the existing companies and from Government,

that there is a great, a prosperous, future for Indian railways, it is astonishing to see that every new scheme proposes that all elements of risk and possible loss should be shifted on to the Indian taxpayer, securing an absolutely safe, clear percentage of profit for the English investor. So long as the Indian Government has to bear a net loss on railway account, no matter from what cause, so long it is futile to represent the Indian railway enterprise, whatever may be its other advantages, as a commercial success.

Then may I take it that the conclusion you draw from this is, that it is a mistake to have made any railroads at all?—I do not say that.

I do not see, if you speak of Indian railway enterprise in these very strong terms, that any other conclusion is left to you?—I explained before that, so far as the main trunk lines are concerned, the only complaint we would make is that they have been constructed in a very extravagant manner as was given in evidence before the Fawcett Committee; but the increased activity which the Government is showing now is not required. I make a distinction between the main trunk lines and the other lines that are now being constructed.

Are you able to say that the cost of construction, as compared with railroads in other countries, is very dear?—I am not prepared to say that.

If you are not prepared to say that, is it quite fair to speak in strong terms about the extravagance?—Extravagant about what?

As I understood your words, they were that the cost of construction of the railways has been very extravagant?—Of the earliest railways. The earliest railways were constructed in a very uneconomical manner.

I did not hear you limit your criticism to the earliest railways; but, on the whole, are you prepared to say that the mileage expense of construction in India has been extravagant compared with what it has been in other countries?—Well, I have not looked at it from that point of view.

I think, from your evidence, one would gather that that was your view?—No, my view is this, that there is a net loss which the State has to bear on the railway account, and, as there is greater and greater activity, there will be even more and more.

I quite understand that you would now prefer caution; you would not go so fast; but your recent evidence has been founded upon the charge of extravagance; and I want to know whether you have actually gone into the charges, and been able to satisfy yourself that the cost of the construction of railways in India is dearer than it is in other countries, and, therefore, open to the charge of extravagance?—I fear I might not have expressed myself

clearly. What I meant was that the railway lines that were first constructed were constructed extravagantly; and, so far as that is concerned, I can give some evidence; but, in regard to the lines that are now being constructed, I do not think they are being constructed wastefully or extravagantly. I do not say so; but I mean that this rushing of programme after programme is burdening us with responsibilities.

Now, with regard to the earlier railway lines, have you ever heard that the earlier lines in almost every country have been constructed at a very high rate?—That may be; but in the construction of the earlier Indian railways there was a great waste in India, which was condemned as culpable by men who knew the subject—by men like Mr. Thornton, who had been connected with railways for a long time. Bridges had to be re-constructed; there was such lack of supervision, and a great deal of money was misappropriated, and things of that kind; there was a great waste in all that.

Is that a criticism of individuals, or a criticism of any responsible body?—Mr. Thornton appeared before the Fawcett Committee as a responsible representative of the Government of India; and in 1867, when the Government decided to build on its own responsibility, it drew up a long statement of the whole case; and there also it dwelt upon the wasteful character of the expenditure of the guaranteed companies owing to the want of proper check. These facts are all admitted by the Government. I have no fault to find with the present railway construction of Government on the ground of extravagance or wastefulness. What I mean is, that the revenues of the country are being burdened in an increasing proportion with these liabilities.

Of course there is another matter to be taken into consideration; namely, that a railroad, which opens up a country, confers considerable benefits upon the country, which may be fairly purchased even if the railroad is not worked at a profit and if it becomes a charge, in consequence, upon the taxpayer?—Yes; but that becomes then a question of which benefit is comparatively greater. I would prefer Government spending much more on education to its bearing this net loss on railways.

But that is a preference of your own?—Oh, yes.

In this case you dwell, in dealing with the railroads, upon the fact that the State has to pay a certain sum towards the expenses of the railroads, but you omit any allusion to the fact that the opening up of the country in itself is usually held to confer a benefit on the inhabitants, which benefit must be set against any such loss as that of which you speak?—But I have said in my evidence that “whatever the other advantages may be,” from the financial point of view I find fault with it. I say, “So long it is

"futile to represent the Indian railway enterprise—whatever may be its other advantages—as a commercial success."

You say "as a commercial success." It may be a commercial success on account of the benefit which it confers upon the country generally, even though it may cost the Government something. However, perhaps you will proceed?—I have two suggestions to offer on this subject of railways. The first is, that the time has now come when the same restrictions that now exist on the outlay of public money on unproductive public works, should be imposed in the case of these so-called productive works also; these restrictions being, that in future all Government expenditure on these works, direct or indirect, should be out of surplus revenue only, and not out of borrowed money. A new programme, costing 28 crores of rupees, has just been announced, and a private letter which I received from India by the last mail says that it has been sanctioned in spite of the protest of the Finance Member, Sir James Westland. When one remembers that the condition of Indian finance is at present most depressed, that all really important lines have been already constructed, and that many of the most pressing needs of the country, such as education, receive no attention from the Government on the ground of the poverty of its exchequer, one cannot help thinking bitterly of this reckless profusion of Government in the matter of railway construction, especially as the Indian people feel that this construction is undertaken principally in the interests of English commercial and monied classes, and that it assists in the further exploitation of our resources. The second suggestion is that the guaranteed railways should be taken over by Government at the first opportunity in each case, without exception. The waiver of the right to take over the Great Indian Peninsular Railway 20 years ago was very unfortunate. Apart from the loss entailed by the high guarantee, by the unfair manner of calculating the surplus profits, and by their calculation six-monthly, instead of yearly, there is another very deplorable loss which the Indian exchequer must bear in the matter of these guaranteed railways. The shares of these companies are at a high premium, and that is due, in great measure, to the Government guaranteeing a high rate of interest. The premium thus is, to a considerable extent, only artificial, and yet Government must pay it when it has to take over these railways.

That really means, does it not, that you would put a stop to railroad extension now almost entirely?—Unless funds can be supplied out of revenue.

Quite so; but the surplus having been comparatively small, it would mean, would it not, that practically no railroads would be made?—If it comes to that, I would be prepared to accept that.

(*Sir William Wedderburn.*) Looking to the very difficult position of Indian finance, you think that railways are a luxury for which the country can wait a little, though they do desire them?—That is my view; that is also Sir Auckland Colvin's view.

(*Chairman.*) Would you really impress it on the Commission that the Secretary of State and the Government of India have undertaken these railways principally in the interests of English commerce and commercial monied classes; is that a direct charge of yours?—That is the impression in India, because the facts are there. Whenever a Viceroy goes out to India there is a deputation that waits on him, and they put pressure upon him to construct these railways, and he makes a promise, more or less, that he will do his best. There is no feeling in India that there should be these railways—the Finance Member is opposed to them. The Famine Commission recommended that 20,000 miles of railways would be practically sufficient, so far as protection from famine was concerned—that total has been reached, and still there is a new programme of 28 crores.

(*Sir James Peile.*) Not for protective lines?—I have not caught the question.

The programme of 28 crores contains no protective lines?—We do not want any more of their lines; spend more on education for the present, and afterwards on railways. You are going in one direction and going in no other directions. All these railways cannot be a disadvantage—I am prepared to admit that—but it is a question as to which advantage is greater.

(*Chairman.*) And do you hold that the Viceroy is only a registrar of what the commercial classes here choose to tell him?—Not choose to tell him, but the pressure is felt by the Secretary of State owing to the peculiar position of English politics.

You do not think it possible that the Viceroy may think this policy for the advantage of India?—It is difficult to put the thing exactly that way. I rather hesitate to put the thing as strongly as that, but more or less that is the impression.

But you have stated that this construction is undertaken principally in the interest of the English commercial and monied classes?—That is what we feel.

And I think anybody listening to that must feel that you are yourself supporting the idea that the Viceroy was not doing this mainly in the interest of the Indian public, but principally in the interest of the monied classes here?—That is the only conclusion, that we can derive from certain facts. I will mention one. In 1879 a Parliamentary Committee sat to inquire into this subject of public works. Well, after a great deal of careful inquiry they recommended that $2\frac{1}{2}$ millions a year should be the limit of borrowing for

Indian public works. Of course, the Secretary of State and the Government of India between them can alter this limit; and, as a matter of fact, they have not been acting up to that limit lately. This new programme of 28 crores, which is to be finished in a short time, also shows that they are setting aside this limit; so the impression that we have is that it is all undertaken more in the interests of the commercial classes.

(*Sir William Wedderburn.*) Has any great native Association, like the Indian National Congress, ever pressed for that rapid extension of railway communications?—Never.

In the 12 years in which they have made representations to Government, that has not been included in their programme?—Never.

Therefore, you assume that it has not been owing to Indian pressure, but it has been owing to English pressure that this activity has gone on?—Yes. That is my view.

(*Chairman.*) Now we come to the Famine Insurance Fund?—All statistics on the subject of this fund are already before the Commission. Of late years, there has been a great deal of controversy as to the real object with which the fund was created. I think the best evidence that I can offer on this point is to quote the following extract from the Report of a Parliamentary Committee, which examined in 1879 the subject of public works in India, and of which Lord George Hamilton was chairman:—"During the financial years 1877-78 and 1878-79 additional taxation was imposed on India in order to establish an annual Famine Insurance Fund of 1,500,000*l.* That amount was fixed with reference to the famine expenditure, which, during the last six years, had amounted to the enormous sum (excluding loss of revenue) of 14,487,827*l.*, of which a very large portion had been met by borrowing."

(*Sir James Peile.*) Will you give us what that taxation was you say taxation; what taxation? The special taxes that were imposed by Lord Lytton.

What were they?—Well, the license tax was imposed, the officers of Government and certain other classes were exempted, but then the traders and such other persons were taxed; it was known as the license tax.

The question is what the license tax Act said; was it said in the Act that it was imposed to establish a fund of 1,500,000*l.*?—Well the proceeds of the license tax were to form a famine fund.

Was it mentioned at all or referred to in the license tax Act?—I cannot say exactly what was contained in the Act itself, because I never thought anything of that.

It would all depend on that, would it not?—I have read the Viceroy's speech.

The object of the taxation would be stated in the legislation which established the tax?—I have read the Viceroy's speech and Sir John Strachey's speech on that occasion.

(*Sir James Peile.*) I gave in Mr. Wacha's evidence the preamble of two Acts which were passed in 1878 or 1879, one for the North-West Provinces and the other for the Punjab, in which I showed that the taxation was imposed—local rates it was—to strengthen the general finances in order to enable them the better to deal with the relief of famine. It was not said the taxes were set aside as part of the Famine Fund, as it is called.

(*Mr. Naoroji.*) You are reading now an extract from the report of the Parliamentary Committee?—I quoted from a report by a Parliamentary Committee, of which Lord George Hamilton was president.

(*Chairman.*) Yes, but I think the legislation itself is better evidence than what somebody said about it?—It depends on the view you take of the matter. I have in my hand here a despatch written that very year by the Secretary of State to the Government of India on this same subject of famine insurance. Lord Cranbrook there also uses precisely the same language. I will read from that after I have finished the extract from the Committee's report, but he uses precisely the same language.

Yes?—This is what the Parliamentary Committee says:—"The object, therefore, of this Famine Insurance Fund was, by increasing the revenue, to avoid the constant additions to the debt of India which the prevention of periodical famines would entail, by either applying that increase of income to works likely to avert famine, and thus obviate famine expenditure, or by reducing annually debt contracted for famine, so that if famine expenditure should again become inevitable, the reduction of debt made in years of prosperity would compensate for the liabilities incurred during scarcity. This increase of taxation was sanctioned by the Secretary of State in Council on this understanding. Last September, the Home authorities received a despatch from the Indian Government adverting to the difficulty of discriminating between works strictly productive, and those only admissible as providing against the effects of famine, and proposing 'to accept a yearly maximum dead-weight charge, to be fixed, as experience may suggest, for works constructed as productive, whether under the existing strict conditions, or, as now proposed, in order to prevent famine or give protection from famine, or diminish the expenditure for the counteraction of famine, if it occurs.' In other words,

“they would limit to a specific maximum amount the net expenditure for the interest on the capital cost of all such works and their maintenance, after setting off all the net income yielded by the works.’ In addition to the annual loss entailed by their net existing liabilities,’ they proposed to add an annual sum not to exceed 25 lakhs of rupees, and they thought that that amount might form a primary charge upon the Famine Insurance Fund ‘on the consideration that the construction of any works not fully productive, according to the existing definition, which may be thus facilitated, will cause an equivalent reduction of the ultimate liability on account of famines when they occur.’ The first portion of this proposition has been already suggested by the Indian Government in 1876, and rejected by the Secretary of State in Council. The latter part of the suggestion by which it is proposed to permanently assign 25 lakhs of rupees of the Famine Insurance Fund, in order to raise money for the construction of famine works, not fully productive, is an entire inversion of the object for which the fund was raised. This increase of taxation was justified as necessary, in order to meet, as far as was possible, famine expenditure for the future out of income; but to immediately appropriate a portion of the income so raised to pay the interest of new loans was a proposal which, in the opinion of your Committee, the Secretary of State in Council had no option but to reject.” Lord George Hamilton is now Secretary of State for India, and, judging from a recent debate in the House of Commons, his Lordship seems to have forgotten what he wrote in 1879 as chairman of that Parliamentary Committee. The Indian people, however, have a better memory. There is another document that I would also put in here with your Lordship’s permission,* and that is a despatch written by Lord Cranbrook on the 20th February, 1879, on this same subject of the Famine Insurance Fund, and therein he expresses precisely the same views. In paragraph 6 he says:—“It had been laid down by Lord Northbrook in 1874, ‘that, besides a fair surplus of income over ordinary expenditure, such a margin should be provided, in addition, in ordinary times, as shall constitute a reasonable provision for meeting occasional expenditure upon famines’; and in referring to the subject in the debate of the 27th of December, 1877, Sir John Strachey mentioned the argument of Lord Northbrook, ‘that, if this surplus were devoted to the reduction of debt, or to preventing the increase of debt for the construction of reproductive or public works, in years of ordinary prosperity, there would be no objection to the public expenditure exceeding the public revenue in occasional years of adversity, so that we might then, without objection, meet the

* Appendix No. 79.

"charges on account of famine from borrowed funds, to the full
 "extent to which our surplus had permitted the discharge of
 "debt or prevented its increase." Then Lord Cranbrook proceeds to say:—"The cost of the famines was estimated, on an
 "average of years, at about 1,500,000*l.*, and provision was made
 "for meeting this expenditure by measures of financial decentrali-
 "sation, and by new taxation. 'The Government of India,' said
 "Sir John Strachey, 'intends to keep this million and a half as an
 "insurance against famine alone; . . . we consider that
 "the estimates of every year ought to make provision for
 "religiously applying the sum I have mentioned to this sole
 "purpose; and I hope that no desire to carry out any administra-
 "tive improvement, however urgent, or any fiscal reform, how-
 "ever wise, will tempt the Government to neglect this sacred
 "trust." That is a quotation from Sir John Strachey's speech
 which Lord Cranbrook has given here. Then he proceeds to show
 how the hypothecation of 25 lakhs of rupees would be an inversion
 of the fund. The whole thing is, in fact, stated as we have it
 there in the Parliamentary Committee's report, which I have
 already quoted. Further, in 1884 there was another Parliamentary
 Committee on Indian Railways, and this Committee also went
 into the subject of the Famine Insurance Fund. Lord George
 Hamilton was also a member of this Committee, Mr. Arthur
 Balfour was a member, the late W. H. Smith was a member. This
 Committee of 1884 wrote about this question as follows:—
 "Having regard to the certain recurrence of periodical famines,
 "and being of opinion that the cost of famine reliefs should not
 "be added to the permanent debt of the Company, the Govern-
 "ment of India established, in 1878, an annual Famine Insurance
 "Fund of 1,500,000*l.* This sum was fixed upon the calculation
 "that famine reliefs would cost, in every 10 years, 15,000,000*l.*
 "And the additional taxation required to provide the
 "Famine Insurance Fund was sanctioned by the Secretary of
 "State in Council, on the understanding that the revenue thus
 "raised should be applied to the construction of works likely to
 "avert famine, or to the reduction of debt contracted for famine
 "expenditure. Proposals have more than once been made by the
 "Government of India to hypothecate a portion of the annual
 "Famine Insurance Fund to the payment of interest on money
 "borrowed for the construction of railways. But the Secretary of
 "State in Council has declined to sanction these proposals, and
 "the Select Committee of 1878-79 were also of opinion that the
 "appropriation of a part of the Famine Fund for the payment of
 "interest on loans raised to be expended on famine works, not
 "fully productive, would be an entire inversion of the object for
 "which the fund was created." They repeat that again later on
 too; that is the gist of the whole thing.

(*Sir James Peile.*) That is all very well, Mr. Gokhale, but has not that been substantially carried out?—No. You pay now the interest of the Bengal Nagpore and Indian Midland Railways out of the Famine Insurance Fund.

That is looked upon as a protective line, but that is a small item. What I wish to draw attention to is the statement made by Sir James Westland in the last financial statement. You saw, no doubt, that in 15 years 17,500,000*l.* of famine grant surplus had been actually expended. You object to one item, but I think there were 10,000,000*l.* on railways and 5,000,000*l.* on the redemption of debt, the total being 17,500,000*l.* in 15 years. Now, there was no absolute legal obligation to put aside the 1,500,000*l.*, whether there was a surplus or not. There must be a surplus before you can put it aside, and the Government of India have actually managed to put aside 17,500,000*l.* in 15 years; also they have lately decided that, the protective railways being now completed, it is no longer necessary to put aside so large a sum as 1,500,000*l.* surplus, but that 1,000,000*l.* would suffice. I want to know what your grievance is?—I believe Mr. Jacob has given all the figures connected with this, and they are published in one of the appendices of the first report of this Commission. There the figures are given from 1879 or 1880 up to the present. During five years, during Lord Dufferin's time, the allotment for the famine grant was very small; and then for several years past this hypothecation of a portion for paying the interest on railways, which was expressly condemned by two Parliamentary Committees, and by the Secretary of State twice, has been also now allowed, and our grievance is in respect of this; when the fund was first created, it could be devoted to two objects only, namely, either to capital expenditure on the construction of productive public works, or to paying of debt; on no third object was it to be used.

Not on direct famine relief?—I beg pardon, that was, of course, implied; in fact, Lord Cranbrook called on the Indian Government to transmit every year half the money to England to be invested, or paid off in discharge of previous liabilities; that was the original idea of the fund. How the fund is now administered is well known.

(*Chairman.*) The Government of India has changed its view on certain matters; it is not bound not to change its view as long as it maintains a sufficient reserve?—No doubt; but special taxation was imposed.

(*Sir James Peile.*) I combat that, and ask: is there a special taxation?—There is.

There is the law?—And there are the speeches of Sir John Strachey.

And there are the Acts ?—I should take my view of them from—

More from what people say than from legislation ?—More from what a responsible Secretary of State says.

Than from legislation ?—The Secretary of State sanctioned the taxes.

Than from the legislation itself ?—I have not seen the Act ; I cannot say anything.

You have not looked up the Act ?—I did not think anyone would dispute what the Secretary of State himself had said about his own object.

Not when he legislates and puts his thoughts into an Act. Is not what he says in an Act more important than what he says as an *obiter dictum* ?—Here he distinctly says that the legislation was sanctioned on this understanding ; the understanding of the Government of India would not appear in the Act.

Your claim is upon a pledge given by the Government, not upon any legislation ?—Yes.

(*Sir William Wedderburn.*) It is not upon any legislation, but it is upon a personal pledge given by the Government that they were raising the money for a special purpose, and making it a sacred trust. That is your ground ?—Yes.

The Government never made it a sacred trust : such words were only used ?—Lord Lytton said, “to say anything else is to insinuate a calumny” ; those were the words he used.

(*Chairman.*) There have been quotations made from Sir John Strachey, but I think it rather interesting to take the whole of his statement. Sir John Strachey, in explaining, on the 27th of December 1877, to the Legislative Council in India the measures that had been taken, said :—“ It is the firm intention of the “ present Government to apply the funds now to be provided for “ this special purpose, strictly to the exclusive objects which they “ were designed to secure. In such matters, no doubt, Govern- “ ments cannot fetter their successors ; and nothing that we could “ now say or do would prevent the application of this fund to “ other purposes. Without thinking of a future far removed from “ us, events might, of course, happen which would render it “ impossible even for us, who have designed these measures, to “ maintain our present resolutions. So far, however, as we can “ now speak for the future, the Government of India intends to “ keep this million and a half as an insurance against famine alone. “ In saying this, I should explain that we do not contemplate the “ constitution of any separate statutory fund, as such a course “ would be attended with many useless and inconvenient compli- “ cations, without giving any real security. Unless, then, it should

"be proved hereafter by experience that the annual appropriation of a smaller sum from our revenues will give to the country the protection which it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose": and this is the point which has been relied on after the statement that has been quoted:—"And I hope that no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, will tempt the Government to neglect this sacred trust." Here, in the speech in which Sir John Strachey explains the Bill which he is going to bring in, he especially says that, if it should be proved by experience in the future that the annual appropriation of a smaller sum will suffice, it may be varied, and, further than that, he expressly says that he cannot bind future Governments. Now, I do not think you can say that such a speech as that creates a sacred trust which can never be departed from. And, further than that, I would ask you this: Would you really mean to say that because a statesman said, 20 years ago, that a certain charge is necessary, that that statement is to be binding for all time?—In regard to the first part of your Lordship's question, I may say I was aware of that quotation from Sir John Strachey's speech. It was used in the recent debate by either Lord George Hamilton or Sir Henry Fowler. I was careful, therefore, not to make any quotation from Sir John Strachey myself. That quotation is one given by the Parliamentary Committee and another by Lord Cranbrook himself, and I only read those two extracts; but Sir John Strachey was there only speaking as a member of Council; Lord Cranbrook, however, showed on what grounds the formation of the fund and the imposition of the tax were authorised by him. I believe that ought to dispose of that first question. In regard to the second, I quite admit that a mere declaration made 20 years back need not always be binding, but the Government should openly come forward and say so. When Lord Dufferin, for instance, wanted to take away a large portion of the Famine Grant, what he should have done was this: he should have formally announced that the Famine Insurance Fund, for which extra taxation was imposed, no longer could be contributed to in that manner. In fact, what the Government did was to take advantage of the Famine Insurance Fund in that year, and escape the additional unpopularity which would have come to them, if this fund had never been created, from the imposition of new taxes. If there had been no Famine Insurance Fund in 1886, Lord Dufferin would have been compelled to put on certain extra taxes, when he wanted extra expenditure. But, having been able to take advantage of the Famine Grant as it stood, they escaped that unpopularity.

Now, it appears to me to be the judgment of the Government at present that the end for which the Famine Fund was established has been accomplished, that this sum of 17,000,000*l.*, which has been applied, has accomplished the end, and that they are in a position now to reduce the annual sum to 1,000,000*l.* What do you say about that? Do you consider that they are entirely wrong, that the works up to the present are not sufficient, and that this dictum of 20 years ago is to be as if it were a sacred communication from on high which is never to be departed from, namely, that 1,500,000*l.* in good weather or bad weather, adversity or prosperity, is to be spent by the Indian Government, whether it is wanted or not?—I do not say that, but I would say this, that the reduction of the Famine Grant from 1,500,000*l.* to 1,000,000*l.* was decided on about a year and a half or two years ago, when the present famine had not visited the country; in fact, the Government seemed to think that, because for a few years there had been no famine, therefore they need not take that possibility into account. The present famine has profoundly modified the situation; I should expect a change of view in the Government.

(*Sir James Peile.*) They never said they thought that there would never be any more famine?—They have not said that, but they thought they had made adequate provision for famine.

Did you see what Sir James Westland said as to the results of the Famine Grant, that, though the present famine is a very much more widely extended one than the famine of 1876, yet the Government anticipated that the expenditure would be considerably less; and that he attributed to the construction of protective railways from the Famine Insurance Grant?—That remains to be seen; if the famine extends over two years as it did 20 years ago, I fear things will be too horrible to think of. That is my view.

It is not necessary to assume that, in order to give a dark colour to the picture?—I do not want to, but you must compare like with like. That famine lasted two years; how can you compare that with this famine?

That is not what Sir James Westland did?—I have not read that speech; surely he compare two years with one.

(*Sir William Wedderburn.*) If the Government determined to vary that original arrangement and reduce the 1,500,000*l.* to 1,000,000*l.*, do you not think it would have been a reasonable thing also to reconsider the special taxes, by which that money was raised, and, if only 1,000,000*l.* was wanted, to reduce the taxes that were to produce that sum?—Yes.

(*Chairman.*) I have a paper before me, which Sir William Wedderburn gave me, on the subject of the Famine Fund, and it carries the receipts from assessed taxes up to 17,000,000*l.* I am

informed that that column is not a correct one. First of all, it leaves out the local assessments which were made for the purpose, and, next, it includes the extra money which was obtained when the license duty was converted into an income tax; and I am informed that practically these extra cesses and these license duties, at the rate at which they were imposed under the bill of Sir John Strachey, would not amount to more than 1,000,000*l.* a year?—My Lord, the Secretary of State, writing at that time, admits that the extra taxation was intended to raise this sum of a million and a half. That puts the Indian Government out of court, I believe, on this point; it is too late now to say that the extra taxes raised less than that amount.

I do not think it is so, begging your pardon; what I believe to be the case is that he put the insurance against loss of revenue and actual expenditure on famine at not less than Rx. 1,500,000. The first step taken to meet this charge was to extend the system of decentralisation of provincial finance, by which the Imperial revenue was relieved by about Rx. 400,000 a year; that is to say, Rx. 400,000 was added to the Imperial surplus. This left Rx. 1,100,000, to be obtained by taxation, and the extra taxation imposed was, therefore, to be Rx. 1,100,000 for this purpose, and, as a matter of fact, Rx. 1,100,000 was the produce of the extra taxation?—I would only make one observation, if your Lordship will allow me; I accept those figures which have been just now given by your Lordship. What I mean to say is that that is comparatively a small point. My complaint is two-fold. First of all, they have been paying interest out of the fund, which was repeatedly declared to be an entire inversion of the fund; secondly, when they first diverted the fund to other purposes, they never made an express declaration that they were so doing, which they were bound to make in view of the pledges which they had given before.

(*Sir James Peile.*) I want to revert for a moment to what I said about the resources of the people in time of famine, as shown in the ornaments being sent to the mints?—Yes.

I wish to read a paragraph from the Indian Currency Committee's Report: "During the period of the great famine of 1877 and the following years, large quantities of silver ornaments were minted. In three years no less than Rx. 4,500,000 were "thus turned into money"?—How much?

Rx. 4,500,000?—But for what population?

That you may take as a general statement. The famine affected the people in Madras and Bombay?—But it would indicate a very small amount of relief.

That is not the question?—Then what is it?

(*Sir William Wedderburn.*) But from the fact of their ornaments having been sacrificed in the last famine we may assume that they are in a less favourable position to meet the present famine?—Certainly.

(*Sir James Peile.*) Why?

(*Sir William Wedderburn.*) Unless we know that they have been replaced.

(*Sir James Peile.*) But do you know that they have not been replaced?—You must also look to the habits of the people. The parting with ornaments in our case is like parting with hats and clothes and other things looked upon as necessary by the English people.

(*Chairman.*) The Indians are luxurious?—My Lord, it is only a small ornament here and there. But your Lordship may calculate how much that Rs. 4,500,000 is per head. The people live in the most simple manner possible. Each girl that is married feels that she must have some small silver thing.

It shows a taste for luxury, which is expensive?—They spend next to nothing on their daily wants, and on their clothes and other things.

But, with regard to what Sir William Wedderburn says, I think we have what looks very much like a proof that these ornaments have been replaced, because a very large amount of silver and gold has gone into India, which has not, as far as our returns go, been exported?—But who has absorbed that, that is the question. What classes have absorbed the gold and silver?

It only shows, as I say, the great taste of the Indian people for ornament, which is a form of luxury?—Just in the same way they have to spend large amounts on funerals. They groan under the system, and have to go to the money lender; but they must do it; it is the social life of the people.

(*Sir William Wedderburn.*) For a respectable Hindu woman to give up all her ornaments would be like a woman in this country parting with her wedding ring, so to say?—Yes. That would be a proper parallel.

(*Chairman.*) Now, would you pass on to the Civil Departments of the Bombay Presidency?—Yes, I now come to a criticism of the Civil Departments of my Presidency, on which subject, I understand, the Commission would like to hear my views. I may mention that a very exhaustive memorial criticising the working of these departments, from the financial point of view, was submitted in 1886 by the Poona Sarvajanic Sabha, of which I was Hon. Secretary for seven years, to the Finance Committee appointed by Lord Dufferin. In so far as the situation has under-

gone no change, that criticism has only to be briefly repeated on this occasion. Where the situation is altered, I must modify our observations of 10 years ago.

General Administration.—The total charge under this head in 1884-85 was about 12½ lakhs of rupees. In 1894-95 it was over 14½ lakhs. A large part of the increase is due to exchange compensation allowance. About half a lakh is due to the transfer of the charges of the Inspector-General of Gaols, Registration, and Stamps to this head. The increase in the Civil Secretariat is striking, being about Rx. 6,000. The expenses of the staff and household of the governor have also increased from Rx. 8,600 to over one lakh. It has long been felt that the Bombay expenditure under both these heads is on an extravagant scale. In Madras they manage things much cheaper. Madras is a larger Presidency than Bombay, and yet, in 1894-95, its Civil Secretariat expenditure was only Rx. 39,640, as against Rx. 41,400 for Bombay. Similarly the staff and household expenditure in Madras in that year was Rx. 4,600, as against Rx. 10,700 for Bombay. On this point I would suggest that the staff and household allowance in Bombay should be commuted into a lump sum of about Rx. 6,000 a year. The intermediate supervising staff of Commissioners of Divisions also comes under this head. Its cost in 1894-95 was over 3½ lakhs. This item of expenditure is a very heavy and perfectly needless drain upon the revenues. This institution of the Commissioners introduces an unnecessary step between the district and the headquarters of government, causes culpable delay in the speedy despatch of public business, and is opposed to the proper efficiency of the district government. The commissionership of the central division was, moreover, created 20 years ago, in consequence of the pressure of famine, and it ought to have been abolished as soon as the pressure had disappeared. *Land Revenue Administration.*—The charges under this head are about 65 lakhs and have for some years past been more or less steady. In the presidency proper there are 12 senior and 9 junior collectors, with 41 assistant collectors. There is besides a large number of supernumeraries. Then there are about 50 deputy collectors and a large number of mamltdars, one for each taluka. On an average, each district has one collector, two assistant collectors, one or two supernumeraries, and two deputy collectors, with a mamltdar for each taluka. When the Revenue Department was first organised, the other Departments of the State were not formed, and the Revenue officers were the only officers whom Government could regard as its principal executive officers. Collectors therefore found it almost impossible to conduct their duties efficiently, and their staff had to be strengthened by the addition of assistant collectors; but during the last few years, most of the other Departments have been fully organised, and each Department has now its special staff of administrative and executive officers. Under these altered circumstances,

therefore, there no longer exists the necessity of maintaining the staff of assistant collectors under the District Revenue Officer, except so far as the necessary provision of training some few covenanted civilians for district work might require. For this purpose, one instead of two or three—the present number of assistants—would be more than sufficient. This change, without affecting the efficiency in the slightest degree, will relieve the State of a needless and costly burden. The district in India is the proper unit of administration, the collector being the chief representative of Government in the district. The present scheme of district administration, however, is radically defective, and entails a large waste of public money. The great multiplication of Central Departments which has taken place in recent years has, while imposing a heavy strain on the finances, considerably weakened the position of the collector, and the machinery of administration has, in consequence, become much more vexatious to the people than it was before. The great fault of the existing system is that the number of inspecting, controlling, and supervising officers is wholly out of all proportion to the number of real workers. Government, in all its departments, fixes the salaries of its officers high enough to show that it trusts these officers, and expects from them efficient and conscientious work; but, after showing this mark of confidence, it imposes check upon check, as if no officer could be trusted to do his duties. Perhaps, such a state of things was inevitable in the early days of British rule, when everything had to be properly organised, and various administrative reforms had to be carried out. But now that things have settled themselves, and most of the work done is comparatively of a routine character, it is a sheer waste of public money to maintain such a system of checks and over-centralization. I have already spoken of the Divisional Commissioners, who are at present only a fifth wheel to the coach. In the North-West Provinces, Punjab, and Bengal there are, besides the Commissioners of Divisions, Revenue Boards of two or three members. This double or treble machinery serves no useful purpose beyond a nominal but very often vexatious check. It may be admitted that some check is necessary, but too much check defeats itself by becoming either vexatious or nominal or both. What is wanted is a check more real, by its being more on the spot. The district being a unit of administration, the collector's position should be that of the President of an Executive Board, consisting of his Revenue, Police, Forest, Public Works, Medical and Educational assistants, sitting together each in charge of his own department, but taking counsel in larger matters with the heads of the other departments under the general advice of the collector-president. To this Official Board the Chairmen of the District and Municipal Boards may be joined as non-official

representatives. These 10 members, thus sitting together, and representing as many departments, would form the best check on each individual department. With such a self-adjusting, simple, and effective system at work, the present complicated and less efficient system of check and overcentralisation might be dispensed with to the great relief of the people and of the finances of the Presidency. In fact, just as they have now got provincial decentralization, so if there was district decentralization, things would evidently improve.

The next point in your paper, Mr. Gokhale, is the Forests?—Yes. The expenditure under this head was Rx. 96,400 in 1891-2. In 1894-5 it was Rx. 103,400, an increase of Rx. 7,000 in three years. The increase was mainly due to exchange compensation allowance. The administrative charge in this department is excessive. The salaries of the conservators, deputy conservators, and assistant conservators, who, with the exception of one man, are all Europeans, amount to no less than $3\frac{1}{2}$ lakhs of rupees, or one-third of the whole expenditure. The Department, moreover, is working in a most unsatisfactory manner, causing immense discontent and irritation among the rural classes—a discontent gradually culminating in some parts in outbreaks of lawlessness. It also comes frequently into conflict with the Revenue Department. If the work be handed over to and placed under the charge of the collector with a forest assistant, its operations will be much less vexatious to the people, the conflict between it and the Revenue Department would be avoided, and the arrangement would result in a saving to the State. The Forest Department is at present controlled by three conservators, 19 deputy conservators, and nine assistant conservators. There are, besides, about 20 extra assistant conservators. This excessively costly staff could now be reduced and replaced by much cheaper agency, if the suggestion made above were carried out. Moreover, the work done by the lower-paid establishment should be, as far as possible, handed over to the village officers, who would do it much more efficiently and cheaply, as a small increase in their existing remuneration would be deemed by them as adequate payment for the extra work. Forest, irrigation, and agriculture are all at present separate departments, each working in its own orbit, though they all are supposed to discharge duties practically allied to each other. The promotion of the agricultural industry of the country is the common object of all; but, the departments being separate, work on their own lines—not always convergent to the main end. And there is necessarily a considerable waste of funds and effort. Even under the existing system, if these departments were amalgamated, one supervising establishment would do where we now have three. The change will be attended with advantage to the agriculturists and relief to the finances of the country.

Do forests cover a large space in Bombay—I understand that it is to Bombay that you are addressing your remarks?—Well, they cover a fair proportion, I believe; I do not think that the forests are themselves excessive. I am in favour of having large forests; but the manner in which the forests are worked is what I find fault with.

You are not opposed to the protection of forests?—No, I am not.

The great forest district is Madras, is it not? I am not quite sure about that.

When you say that the manner in which the Forest Code is applied causes great discontent and irritation among the rural classes, gradually culminating in some parts in outbreaks of lawlessness, does that arise from the fact that, until the Forest Department was constituted on its present footing, great waste of forests was taking place, and that the local inhabitants resent any interference with their power of waste? Or do you think that it is possible to preserve the forests completely in the interests of India without arousing such a feeling?—This used to be the ground of complaint at one time, when the Forest Department was first formed; now the people have got used to that. But the principal complaint now is that the department tries to work itself as a department of revenue; and, therefore, the poorest classes, the lowest tribes, who live a nomadic kind of life in the forests, who gather fruit and small branches of trees that fall down and so on, and sell loads of small wood in bazaars, are being restrained from doing these things. Their ordinary source of livelihood is thus being stopped to them, and they are now taking to assaulting Government officers, which is a very serious thing. Only a few months back there was an outbreak in the Kolaba district, and there was another outbreak after that. The Deputy Collector was assaulted and the poor, ignorant people exacted from him a bond in writing that they would get cheaper food grains and salt, and that they would be allowed to take wood and all that sort of thing. The manner in which the Forest Department is worked is so entirely unsympathetic that the people are feeling greatly irritated.

When you speak of the Forest, Irrigation and Agriculture being all at present separate departments, each working in its own orbit, though they are all supposed to discharge duties practically allied to each other, may it not fairly be said that forestry is a special science?—Yes, that is so; but forests are for the benefit of agriculture; that is the principal object of forests, and under my scheme, if the Collector was made the supreme authority in the district, he might have a Forest assistant and an Irrigation assistant and an Agricultural assistant.

You do not propose to send the Agricultural assistant, who knows nothing about forestry, to take care of forests?—Oh, no, not at all; I only want the Forest assistants' conflict with the other departments to cease, which would be secured if they were all subject to one man, subordinate to him.

Now what would you wish to tell us upon the subject of the police?—The charge under this head in 1894-95 was over 56 lakhs of rupees. In 1892-93 it was less than 51½ lakhs. The increase is chiefly due to the reorganization scheme carried out in 1894 at an annual cost of over 4 lakhs for the Mofussil police, and about 1 lakh for the police of the Presidency town. As in the case of several other departments, this department is largely over-officered in the upper staff. In 1884, the inspector-generalship of police was created with a salary of Rs. 2,400 a year. The creation of this office was not favoured by the Government of India itself for a long time, but it yielded at last to the persistent pressure of the local Government. This needless centralisation, in addition to being expensive, has disturbed the harmony which previously prevailed in the district administration, when the district police officer was a direct subordinate of the collector of the district. The police department has no policy of its own to carry out, and it may well remain directly under the collector in each district. I may mention that men like Sir Barrow Ellis were strongly opposed to the creation of the inspector-generalship. The superior staff has been constantly on the increase. In 1879 the number of district superintendents and assistant superintendents was 22. In 1886-87 it was 30. It now stands at 38, all Europeans. There are, besides, about nine probationers. The institution of the grade of police probationers has all along been regarded by the Indian public as a great scandal, and evidence was offered before the Public Service Commission that all the 13 probationers that had till then been appointed were relatives of persons occupying high posts in the administration, men who had failed in qualifying themselves for any other career.

(*Sir James Peile.*) There are no probationers now, are there?—Well, last year there were two or three appointed.

No probationers; by probationers you mean men appointed in India by the Provincial Government?—I do not know by whom appointed, but the civil list of January gives three appointed last year.

From England, I think?—I know that the condemnation of the appointments by the Provincial Government has led to a change; but how far the change has gone, I am not in a position to say.

(*Chairman.*) The probationers are Europeans?—Oh, Europeans, of course. But while the superior staff is excessive and too costly,

the lowest grades in the department, the class of constables, requires large improvement. A much better type of men must be attracted to the ranks by offering adequate inducement. It is no exaggeration to say that the Indian police of the present day, outside the Presidency towns, are a thoroughly incompetent, unscrupulous, corrupt body, causing vast misery to the bulk of the people. They are often found to be themselves actively aiding and abetting crimes, especially crimes connected with property. Outside the Presidency towns there is no detective service worth mentioning. A large increase of expenditure is necessary, if the department is to be effective for protecting, and not harassing, the general population.

(*Sir William Wedderburn.*) The quality of the rank and file would be very much improved if there were a reasonable prospect of good promotion?—I should think so.

A better class of men would come into the service?—Yes.

And if the positions that have been given to police probationers were given to experienced men who had worked their way up, that would do a good deal to improve the style of men in the police?—Certainly.

(*Chairman.*) Roughly speaking, what sort of number is the police force in the Bombay Presidency?—I should like to refer to the latest Administration Report before answering that question.

Could you not give us any idea; is it 10,000, 15,000, 20,000?—I must consult the Report; I have got one here; but I believe last year, when the new reorganization scheme came on, they made additions also to the lower ranks.

(*Sir James Peile.*) The reorganization was made lately?—Last year; they offered a little better pay also.

And in other provinces also the police has been reorganized lately?—I have read so in some newspapers, but I do not know anything definitely.

There is a movement generally towards reorganization; improving the pay, or both the promotion and the pay?—And so far that is good.

(*Sir William Wedderburn.*) The Provincial Governments would be glad enough to do it, if they had the money, I suppose?—Certainly, and therefore we are fighting for more money being given to the Provincial Governments.

(*Sir James Peile.*) The proposals to reorganize the police of a province come up to the Government of India and are approved by them, and come to the Secretary of State to be sanctioned. If he sanctions them, an arrangement is made about the money; the money is made available by the Government of India for the use

of the province?—I do not think so; the Police department under the decentralization scheme is entirely a provincial department.

Certainly; but, if new expenditure is countenanced by the Government of India, they make an arrangement for supplying the money?—They have not done it in the case of these five lakhs. Not only that, but the exchange compensation threw a large portion on the Bombay Presidency not contemplated at the time of the contract.

Is it five lakhs in Bombay?—Five lakhs in Bombay; I think they thought it too small to need special assistance.

(*Sir William Wedderburn.*) You mention that, as a body, the district police are an unscrupulous and corrupt body. Is not it a very great argument for the extension of local self-government, that it gives the power in the villages to the respectable villagers, instead of to these men who are picked up in the bazaars, and whose object is to get more power rather than to do any good work?—Yes, that is so.

(*Chairman.*) The police force in Bombay appears to be very nearly 19,000; of that, may I take it that 38 are Europeans?—No; 38 is the number of the Superintendents and Assistant Superintendents.

Yes, then we come to the inspectors; are the inspectors European?—Some of them are Europeans and some are natives. Their salary stops at 250 rupees a month.

I suppose not many inspectors are Europeans?—There are some inspectors who are Europeans. I know of some. I believe it is about half and half. I am not quite sure, but it would be like that.

There are 277 deputy inspectors; are they natives or Europeans?—The deputy inspectors, I believe, must be natives for the most part.

And the sergeants or head constables?—They must be all natives, except a very few in the Presidency town.

When you say of the police that they are a thoroughly incompetent, unscrupulous, corrupt body, causing vast misery, I find that this large force of men is chiefly officered, except quite at the very top, by native officers. Does that look to you as if the native officers were very competent?—That is not my point, my Lord; my point is that the rank and file consists of such a low class of men that it is impossible to make them efficient.

But what I mean is that the actual discipline of these men lies in the hands of native officers?—The Superintendents are, in the first instance, responsible.

And I want to ask you whether you are satisfied—whether that is a good result? Because, native officers being in charge of these men, the only thing that you can say about them is that the men, for whose discipline these native officers are responsible, are a thoroughly incompetent, unscrupulous, corrupt body?—If the responsibility is to be apportioned in that way, the Superintendents and the District Superintendents will come in for their share first.

At the top?—Yes. At the top.

But the actual discipline, you must pardon me for saying, throughout the country must lie in the hands of this large force of native officers?—The better classes do not go into the force, because there are no good prospects; they must stop at a certain level. Above that all are Europeans, so they do not care to go into the service.

(*Sir William Wedderburn.*) Do you not think we could get for the police men as trustworthy and men as well educated for the higher grades as we have for the subordinate judicial service—that same class of men?—Yes, there is no reason why we should not have them if equally good pay were offered.

And that class of subordinate judges in India is universally respected and trusted by the people?—Oh, yes, and by Government too; they have always been saying that they are a very efficient body.

(*Chairman.*) You advocate the necessity of a large increase in the expenditure on education, I think?—Here, too, a large increase of expenditure is necessary, if Government desires to discharge its duty adequately by the people. The charge under the head of education at present is about 20 lakhs, of which 3 lakhs are consumed in direction and inspection. Our percentages are no doubt slightly better than those for the whole of India, but that is hardly a matter for congratulation, seeing that what is being done is almost as nothing compared with what ought to be done. So long as we have only 9,000 public primary schools for over 25,000 towns and villages, and about 80 children out of every 100 of school-going age are growing up in utter darkness, so long the educational policy of the Government will always be a reproach to it. In this connexion there is one point to which I am anxious to draw the particular attention of the Commission. That point is the absolutely inelastic character of the financial provision which is made for primary education in rural areas. In these areas, primary education is now entrusted to local boards, Government contenting itself with a grant-in-aid to these boards of one-third the total expenditure. Now, the only revenue that these boards have at their disposal is the proceeds of the one anna cess, and these proceeds are devoted, in certain fixed proportions, to

primary education, sanitation, and roads. As our revenue settlements are for periods of 30 years, it follows that during these periods the proceeds of the one anna cess must be more or less stationary, which means that the amount that local boards can devote to primary education, being a fixed proportion of those proceeds, must also remain more or less stationary during the currency of each period of settlement; and as Government will, as a rule, contribute only one-third of the whole expenditure, *i.e.* one-half the amount spent by the boards, it is clear that the resources that are available for the spread of primary education are entirely inelastic for long periods. I believe Sir James Peile proposed, when he was Director of Public Instruction in Bombay, that local bodies should be empowered to levy special educational cesses if they pleased. In the absence of Government finding more money for the education of the masses—a duty definitely accepted as a sacred trust—this seems to be the only possible solution of the difficulty.

I now come to *Law and Justice*.—The charge under this head in 1894-5, excluding the cost of jails, was 46 lakhs of rupees. Of this sum the expenditure on the High Court came to about 6½ lakhs. It has long been a matter of complaint that our High Court is managed on a more extravagant scale than that of Madras, the expenses of the latter in 1894-5 being less than 5½ lakhs. The great item of difference is the expenditure of the original side, which in Bombay is about 2½ lakhs, and in Madras not even one lakh. The appellate side of the Bombay High Court, which does the appellate work for the whole Presidency, is maintained at a cost of about one lakh of rupees only. The expensiveness of the High Court is, however, not due so much to the cost of the machinery employed as to the monopoly enjoyed by solicitors and barristers, whose fees represent a charge on litigation which is almost prohibitive. It is, indeed, high time that the system of the civil and criminal administration of justice in Bombay was improved so as to render it less costly.

(*Sir William Wedderburn.*) You mean in the city of Bombay?—In the city of Bombay, I mean. The Finance Committee of 1886 made certain proposals about reducing the cost of the Bombay High Court, some of which have not yet been carried out. The Clerk of the Insolvency Court still continues to receive fees, amounting to nearly the salary of a puisne judge, for only nominal work. The Judicial Department is specially a department for high posts in which the qualifications of natives have been repeatedly recognised. The Public Service Commission recommended that one-third of the district and sessions judgeships should be set apart for natives. No effect, however, has yet been given in practice to that recommendation. The question of the separation of judicial and executive functions comes under Law and Justice. It is contended

on behalf of Government that such separation would entail extra expenditure of something like half a crore of rupees for the whole of India. Now, in the first place, this appears to be simply an over-estimate. Assuming, however, that the additional cost would be as high as that, it is much less than what was given to the European services by one stroke of the pen in 1893—I mean the exchange compensation allowance. This year, in certain famine areas, sub-judges are entrusted with criminal work also, to the relief of revenue officers, and the experiment, so far, has succeeded very well. A similar experiment was tried during the famine of 1877 with equally satisfactory results. The stipendary sub-judges and sub-magistrates may with advantage be relieved of a portion of their lighter work by the appointment of honorary magistrates and arbitration courts. Honorary magistrates have already been appointed in the larger towns, but benches of such magistrates may be constituted in Taluka towns with great advantage to the Government and the people. Further, the caste and trade Panchayats may be utilised for the purposes of settling civil disputes. There has already been a reform in the manner of disposing of petty cases, and arbitration courts have been recognised as cheap and efficient institutions for the administration of justice in small cases. If the same principle be extended to the courts of subordinate judges, and if civil juries are associated with the sub-judges in the disposal of suits involving larger amounts of money, as also in deciding questions regarding rights and customs, ample relief will be afforded to the superior courts, which may ultimately enable considerable economies to be effected.

Then I come to the *Public Works Department*. The expenditure under this head, including provincialised railways and irrigation and civil works, was about 35 lakhs of rupees in 1894-95, out of which about one-third was for establishment. The first two items came to a little over 1 lakh, and the rest was for civil works. Except in Sind, we have no irrigation worth speaking of, and I think it would be a great advantage if the construction of storage tanks and wells in areas where the rainfall is uncertain were undertaken by the Government on a large scale and in a systematic manner. This was recommended by the Famine Commission; nothing has been done, however. As regards the civil works outlay, it is noticeable that the highly paid machinery of executive engineers, &c. is still kept up in all the districts, though in several of them the expenditure on civil works from the provincial revenues does not exceed a mere trifle, and the works required by the local funds are of a sort that far lower establishments can safely undertake. The reduction in the executive engineer's charges appears to be urgently called for.

(*Chairman.*) Next you wish to call attention to the question of the monopoly of the higher offices by Europeans?—Yes. Similar criticism might be offered about the remaining departments, but I have no wish to weary the Commission with further observations of the kind. But there is one great evil common to all the departments, and a few words on that may be allowed. This evil is the practical monopoly of all the higher posts by Europeans. The following analysis of the Civil List for the Bombay Presidency for January 1897 will make my meaning clear. *Covenanted Civil Servants*, or, as they are now called, *Civil Servants of India*. The total number of these civil servants attached to Bombay at present is 156, out of whom only 5 are Indians, these 5 having entered by the competitive door in England. There are besides 8 statutory Indian civilians. The Members of Council, the High Court Civilian Judges, the Commissioners of Divisions, the Secretaries to Government, the Senior Collectors, are all Europeans. *City Magistrates*.—There are four city magistrates, two on Rs. 800 a month, and two on Rs. 500 a month. The two former are held by Europeans (not covenanted), the two latter by natives. *Land Records and Agriculture*.—There are six posts in this department with a salary of over Rs. 400 a month. They are all held by Europeans. *Forest Department*.—There are 29 posts in this department, with salaries ranging between Rs. 400 a month to Rs. 1,600 a month. They are all held by Europeans. There are nine Europeans even below Rs. 400 a month. *Salt*.—There are 12 posts with salaries ranging between Rs. 400 to Rs. 1,130 a month. Only one of these is held by an Indian. *Post*.—The Postmaster-General is a civilian. There are 11 posts under him with salaries above Rs. 400, out of which seven are held by Europeans. *Telegraph*.—There are 12 posts in this department with salaries ranging between Rs. 400 and Rs. 1,000, and they are all held by Europeans. There are, moreover, 40 posts between Rs. 100 and Rs. 400 a month. Of these, also, 36 are held by Europeans. *Revenue Survey*.—There are 10 posts in this Department with salaries above Rs. 400. They are all held by Europeans. *Accountant-General's Department*.—The Accountant-General and Deputy Accountant-General are civilians. There are five posts under them with salaries ranging between 400 and 1,000 rupees, four of which are held by Europeans. *High Court Judges*.—Out of seven judges, two are natives. *Government Law Officers*.—There are seven Government Law Officers of whom six are Europeans. Four of these get Rs. 2,000 a month and above, one gets Rs. 1,000, and the sixth man gets Rs. 250. There is only one native among these who is paid Rs. 300 a month. *Officers of the High Court*.—There are 14 officers with salaries ranging between 400 and 2,500 rupees a month. Of these, six are Natives. *Prison Department*.—The Inspector-General draws Rs. 2,000 a month, and there are under him 11 officers receiving Rs. 350 to

Rs. 1,200 a month. They are all Europeans.—*Cantonment Magistrates*.—There are 11 such magistrates with salaries ranging from Rs. 100 to Rs. 1,250 a month. They are all Europeans.—*Police*.—There are 54 officers in this Department with salaries ranging between Rs. 250 and Rs. 1,800 a month. Of these only three are natives, and they are all drawing Rs. 250 a month. There are moreover, five officers in charge of railway police. They are all Europeans and draw salaries ranging between Rs. 350 and Rs. 1,000 a month.—*Education*.—The director is paid Rs. 2,500 a month, and under him there are 45 officers receiving between Rs. 400 and Rs. 1,500 a month. Of these only 10 are natives, and, with one exception, they get either Rs. 400 or Rs. 500 a month; the one gentleman mentioned as an exception is a native Christian and draws Rs. 633 a month.—*Ecclesiastical*.—There are 31 paid officers in this Department. They draw between Rs. 400 and Rs. 800 a month, and are, of course, all Europeans.—*Medical*.—The Surgeon-General draws Rs. 2,500 a month, and there are under him 59 officers drawing salaries between 400 and 1,600 rupees a month. Out of these only four are natives.—*Sanitary*.—There are seven posts in this Department with salaries between Rs. 400 and Rs. 1,200 a month. They are all held by Europeans.—*Political*.—There are 66 officers in this Department, drawing salaries ranging between Rs. 400 and Rs. 3,500 a month. This gentleman drawing Rs. 3,500 a month is at Aden. Only two of these are natives, one of them drawing Rs. 400 and the other Rs. 450 only.—*Public Works*.—There are 83 officers in this Department, drawing salaries between Rs. 250 and Rs. 2,500 a month. Of these 23 are natives. The subordinate judgeships and deputy-collectorships are the only branches of the public service which are free from this practical monopoly by European officers. It may be mentioned that the posts in the special departments mentioned above are not reserved for a particular class of men by statute, and, subject only to departmental rules, their bestowal is entirely in the discretion of the Executive Government. It cannot also be urged, in the case of most of these departments, that the appointment of natives to the higher posts in them is ever likely to have an element of political danger in it. In the case of collectorships they may say the Collector is the head of a district, and the Government would not care to entrust everything to a native, but in the Forest and Accounts Departments what is there of danger?

Is there no possible danger in the case of the Police?—I have said most of the departments. I anticipated such a question, and therefore said "most of the departments." The question is essentially one of patronage. The word "patronage" I have taken from one of Mr. Lee Warner's minutes; and our complaint is that the best part of that patronage goes to persons who are not children of the soil.

That completes the remarks which you would wish to offer upon administration?—Yes.

We have yet another branch of our inquiry which you have not as yet touched, namely, the Apportionment of Charges between England and India?—Yes; I have not much to say upon this. On the narrower ground which the Government of India have chosen to occupy in this matter, they have, I think, stated the case for India very effectively. I agree, however, with Mr. Dadabhai Naoroji and Mr. Wacha, in thinking that the field, in respect of which equitable apportionment is necessary, is much wider than that, I will add a few observations to explain my meaning:—*The India Office Charges.*—These, which stand at about 273,000*l.*, ought to be borne by England, or, at least, divided half and half between England and India. The Secretary of State for India, as a member of the Imperial Cabinet, represents the Imperial Executive and discharges the Imperial function of general controlling supervision in respect of Indian Administration just as the Secretary of State for the Colonies does for the Colonial Governments. The salary of the Colonial Secretary together with his office charges is borne on the Imperial Estimates. In strict justice, therefore, the India Office ought to form part of the Imperial Establishments and be paid out of the Imperial Exchequer. I am, however, aware that it is urged on the other side that, under present arrangements, the India Office has to do much directive and executive work in regard to Indian Administration which the Colonial Office is not called upon to do, and I should, therefore, be satisfied if the charges were divided half and half between India and England. (2) *Army charges due to recent additions.*—These increases were due to the panic caused by the Penjdeh incident, and were alleged to be necessary for the better protection of the north-west frontier. Upper Burma was, however, subsequently annexed, British Beluchistan was organised, various frontier enterprises carried out, and almost the entire increased strength has been thus absorbed in these newly conquered territories, a fact which shows that they were not really required for purposes of the defence of the north-west frontier. Similar temporary additions were made at the same time to the Imperial garrisons in other parts of the Empire in view of an imminent conflict with Russia, Mr. Gladstone obtaining a large vote of credit for this purpose; but, as soon as the emergency passed away, the garrisons were reduced everywhere else. Only in India was the increased strength maintained. These additions were in excess of the maximum defence requirements of the country as defined by the Army Commission of 1879 in view of frontier and other contingencies, even Russia and Afghanistan making common cause. The additions were protested against, when made, by two members

of the Viceregal Council, including the Finance Member, who urged that, in the first place, they were not necessary, but that, secondly, if they were wanted, that was for purposes of the Imperial policy, and the Imperial treasury should pay for them. This increased force, therefore, of 30,000 troops forms no part of our Indian Army proper, but is an Imperial garrison, and serves as an Imperial reserve, and the cost of it ought to be an Imperial charge.

In mentioning that two members of the Council protested, we must bear in mind that they were the Finance Member, and the Legal Member?—Yes.

As against that, one must bear in mind that the expert members of the Council thought differently, and considered that this force was necessary for the defence of India?—Yes, I am quite aware of that, but then my argument is this; if the force that was then added was necessary for the purposes of strengthening the north-west frontier, why have they not increased the army on account of Burma? They have now more territory thrown on their hands on account of Burma, British Beluchistan, Gilgit, and Chitral; and yet the same army suffices, which means that at one time so much was not wanted. That is the only inference that I can draw as a non-official critic.

(*Sir Donald Stewart.*) But supposing Burma had not been annexed, is it not possible that that force might have been reduced?—I should have thought so.

Very good then; but the annexation of Burma absorbed the whole of that additional force?—A very large portion of it, yes.

(*Mr. Naoroji.*) But then it was not necessary that Burma should have been annexed to India; it might have been treated as a separate territory?—Yes.

And the Indians, the National Congress, declared so?—Yes, but my point is this; in the correspondence that took place between the Secretary of State and the Government of India the increases are spoken of as permanently wanted; in fact there was a telegram from the Secretary of State inquiring whether the increases were meant to be permanent, and the Government of India telegraphed back, "yes." If they were permanently wanted for the north-west frontier before Burma was annexed, how could they withdraw a portion and spare it for Burma, when Burma was annexed? That is the only inference that I draw.

To resume—(3) *Our ordinary debt.*—Our ordinary debt as distinguished from our Public Works debt stands at present at 68 crores. This portion of our debt would not have until now remained undischarged, but for charges unjustly imposed upon us

in the past in respect of various wars and expeditions in promotion of Imperial schemes or territorial expansion:—

| | Cost in crores. | | |
|---|-----------------|-----|-------------|
| First Burmese War (1823) | ... | ... | 13 |
| First Afghan War (1838—42) | ... | ... | 15 |
| Abyssinian War | ... | ... | 6 |
| Second Afghan War | ... | ... | ... |
| (Total cost=22 crores minus Imperial contribution... 5 crores | ... | ... | 17 |
| Egyptian War | ... | ... | 1.2 |
| | | | <u>46.8</u> |

Add to this 67.8 crores thrown upon India since 1885 in pursuance of an Imperial policy as shown in the following table:—

| Frontier expenditure since 1885. | Aggregate charge during the period in crores or millions Rx. | Permanent annual charge in crores or millions Rx. |
|--|--|---|
| Military roads | 1.250 | ... |
| * Strategic railways | 14.000 | .600 |
| Special defence works | 4.630 | ... |
| Army increases | 22.000 | 3.900 |
| (including Beluchistan garrison). | | |
| Frontier extensions:— | | |
| (1) Upper Burma | 14.920 | .925 |
| (2) British Beluchistan | ... | 0.086 |
| (3) The Gilgit Agency and Protectorate | ... | .220 |
| (including Chitral). | | |
| (4) Somali Coast | ... | .012 |
| (5) The Afghan Protectorate | ... | .180 |
| Cost of expeditions, &c. | 8.240 | ... |
| (exclusive of Burma). | | |
| Political expenditure | 2.838 | .457 |
| Total in crores | 67.878 | 6.038 |

* The charge is met from capital and not from current revenue.

(*Chairman.*) I do not quite understand the separation between these charges; is the 6·038 crores Rx. in respect of loans which have been raised for the purpose?—More than three millions is for the army increase; it is 3·90 for army increase—30,000 troops.

How do you arrive at the annual charge of army increases?—From the Army Budget, 22 crores is the total charge—I mean the total charge we have had to bear during all these 10 years for this increase in the army.

Cumulative evidently?—Cumulative; and this 3·9 millions is the annual charge which we are to bear every year; but for this increase we should not have had to bear this charge.

It is an easy way of raising a heavy charge, is it not, first of all to say that this charge is unjust, and then to add up the sums so expended over many years? If it goes on for many years, it is rather an easy way of making out a large bill. I am not sure that we could not all make a heavy bill against somebody in that way?—It is the natural way of looking at the thing for those who think a charge is unjust.

What a charge we might make out in England now! It is easy for me to say that 200 years ago William III. acted wrongly in going to war with France, and, therefore, to carry forward all expenditure that happened in consequence during that 200 years—we ought to add on interest—that is an easy way of raising a formidable charge, I think?—I think that is putting it in too extreme a manner; this is only a matter of 10 years; and this increase was carried out in spite of the protest of the people, and in spite of the protest of some of the advisers of Government.

But this charge will go on, and will increase every year. I am criticising only your cumulative bill. I am not criticising the position that you have a right to say that you think such-and-such charges are heavy?—I mention it, because we make a claim for restitution of so much money on behalf of India, just as in the case of the Irish Commission; they have mentioned a certain sum in regard to which Ireland claims restitution. We get thus a total of 111 crores of rupees, unjustly imposed by the Imperial Government on us in furtherance of its own policy. If even half the sum were refunded to us, our ordinary debt would practically disappear.

I observe that that statement rests entirely upon the assumption, which is by no means proved, that the charge was unjustly imposed?—But take the First Burmese War. The Court of Directors protested against that, but the Imperial Government insisted upon its being undertaken. The First Afghan War—the Board of Control ordered it, and it was prosecuted under orders sent directly, and against the wishes of the Indian Government..

The Second Afghan War was also ordered direct from England by Lord Beaconsfield. In the case of the Egyptian War the Indian Government protested.

But in many of those cases the Government undertook the war believing that it was necessary in the interests of India, did it not? The Government here ordered the war, the Government there protested against it.

(*Sir Donald Stewart.*) Who initiated it?—The Government here—the British Government.

Have you any authority for that?—I believe from all that I have read—this seems to be accepted by almost everyone—that the First Afghan War was ordered by the Chairman of the Board of Control directly.

Go to the last Afghan War?—Yes, even in regard to that I think the same. Lord Northbrook resigned rather than carry out certain instructions which he received from his Government here; then Lord Lytton was sent out to succeed him, with special instructions, I think, to carry out a certain policy, and that brought on the complication.

I doubt if there is any real authority for that statement?—I think Mr. Naoroji went carefully into this question. Declarations of Mr. Gladstone, Lord Salisbury, and Mr. Fawcett were quoted to show that that was essentially an Imperial war.

(*Mr. Naoroji.*) Lord Lytton has said, on the authority of Lord Salisbury, that he was instructed to regard it as an indivisible part of a great Imperial question.

(*Chairman.*) Perhaps the method you adopt may be put in this way, that, whenever native opinion says that it does not altogether approve a charge, that charge is to be put into an account, and England is to be called upon to make restitution; that is the argument, is it not?—Not quite that. When the Government of India also is on the same side, I think that alters the position very much.

Will you go on?—I would mention in this connection that we have paid every shilling of the cost of British conquest, including even the cost of the suppression of the Mutiny (which was close on 50 crores), England contributing absolutely nothing in aid of all this expenditure, England has paid such charges for Imperial conquest or settlement in respect of her colonies. She has even paid the cost of the suppression of the insurrection in Canada (1838-43), out of Imperial revenues. Nor has she ever called upon her colonies—not even the Cape—to undertake Imperial wars or to contribute towards their charge. *Upper Burma* lies beyond the Indian frontier, and we have had no interest in its conquest

and annexation except as a province to be held and administered as an Imperial trust. The conquest was effected in furtherance of Imperial policy and the commercial interests of the Empire; and no special Indian interest was ever here at stake. British Beluchistan and the Gilgit Protectorate are beyond the line of our impregnable defences, and India has no concern with them except as Imperial charges. These are new conquests, and, as years pass by, will require large expenditure for purposes of administrative improvement and material development. And it is suggested that they be taken off our hands, as Ceylon, St. Helena, and the Straits Settlements were in a former day—and be directly administered as appanages of the Crown. I would only add one thing, Ceylon was conquered at the expense of India, and has been raised to the position of a Crown Colony; but the expenses India incurred in connection with Ceylon were not refunded. Certain pensions which were granted to officers India continued to pay up to a very recent time. Bechuanaland (South Africa) is administered as a Crown Colony, and is not thrust on the hands of the Cape. *Political expenditure beyond the Frontier.*—This is properly Foreign Office expenditure as being connected with the general foreign relations of the Empire. Foreign policy and control of foreign relations are Imperial functions, and charges in connection therewith, in whatever part of the Empire, ought to be borne on the Imperial estimates. India has no interest whatever beyond her territorial borders, and has only to maintain peace and order on her own side of the frontier. The Indus, the desert, and the Himalayan wall are impregnable lines of defence on the north-west, behind which she can remain in perfect security. All such expenditure, therefore, as is represented by the subsidies to the Amir and other tribal chiefs, and other like charges, is strictly Imperial in furtherance of Imperial interests in mid-Asia. Lastly, *The irreducible minimum of Europeans.*—If England thinks that a certain number of European officers and a certain strength of the European Army *must* always be maintained in India, she must be prepared to pay a fair share of the cost thrown on India for the purpose, the maintenance of British supremacy in India being a matter affecting the most vital interests of England.

And also the most vital interests of India?—Therefore, I say, the charges should be divided between the two.

(*Sir James Peile.*) You have quoted this resolution of 1888, of the Government of Lord Dufferin, I think?—Yes.

What you refer to is this 17th paragraph, I think (*showing book to witness*)?—Yes, and the 18th.

And the 18th. What the Government of India says is this—you consider that it said that the educational expenditure should be stopped?—I did not say “stopped”; I said they should be “a

"constantly diminishing quantity." You will see they have put it more clearly in the next paragraph at the bottom.

The point is to see under what circumstances and under what conditions the Government of India proposed that it should be reduced?—Yes.

Would you read it?—Yes. "Passing from the statistics of attendance at the various classes of Indian schools and colleges to the expenditure on education, we find that in 1881-82 the total expenditure on public instruction in India was, in round numbers, 186 lakhs of rupees. Four years later (in 1885-86), the total had risen to 240 lakhs; and last year it stood at a little over 252 lakhs. At the beginning of the five years the Government bore 73 lakhs of this expenditure, while local and municipal funds contributed 32 lakhs; the balance of 81 lakhs, consisting of fees, subscriptions, endowments, &c., falling on the public. In the year 1885-86 the share of the Government is shown at 80 lakhs; that of local and municipal bodies at 48; and that of the public at 112 lakhs. The share assigned to local bodies, however, is not entirely the proceeds of local taxation, but includes an item of $4\frac{1}{2}$ lakhs contributed by Government, so that in effect the share of Government at this period stood at about $84\frac{1}{2}$ lakhs. Next year the shares are shown at 85½ lakhs for Government, 49 lakhs for local and municipal boards, and 117½ lakhs for the public. But of the 49 lakhs expended by local bodies, 6½ were contributed by Government, so that there has been a progressive increase in the Government expenditure. The Governor-General in Council considers that the growth of the share borne by local bodies should, for the future, exhibit a more marked increase than it has done since 1885, and that there should be a tendency to decrease rather than to increase in the share which now is defrayed from the public treasury." Then comes, further, this:—"The Government of India recognises its responsibility to provide so far as its finances permit, facilities for the education of the people. But in educational, as in all other matters, it is the policy of the Government of India to avoid entering into competition with private enterprise; it pioneers the way; but, having shown the way, it recognises no responsibility to do for the people what the people can and ought to do for themselves. When, therefore, local effort or private enterprise shows itself able and willing to supply the educational wants of the people in any locality, it is the policy of Government to retire from the field of direct instruction and to help by reasonable subventions of money the operations of independent institutions. Under this policy it is the aim of the Government also, wherever there is vitality of private effort, to restrict official action to the maintenance of a few schools, in which the

"system of instruction and discipline shall afford a standard for the emulation of private or aided institutions in the neighbourhood. In pursuance of this policy, the expenditure from provincial revenues on Government educational institutions should not ordinarily increase in proportion to the total expenditure, but should, rather, be a constantly diminishing quantity, provided that there is the assurance that the ground abandoned by the Government shall be occupied by local effort."

You see the last words "provided——"?—These inconvenient provisos are likely to be forgotten, and only the idea carried out in practice.

I think the proviso at the end is an essential part of the document, is it not? The Government will not diminish its contribution, *unless* it is assured that the place of that contribution will be taken by private funds. The whole paragraph is entirely in favour of local self government, is it not?—Well, so far as this sort of expenditure is concerned, of course Government would throw the responsibilities on the Provincial Governments. I would mention one point. During the four or five years previous to the issue of this Resolution, in consequence of the orders issued by Lord Ripon in 1884, the educational expenditure had been increasing in a fairly satisfactory manner, but from 1890 it has been at a standstill. For the last five years there has been only an increase of Rs. 30,000, when in England you have gone from 5,000,000*l.* to 9,000,000*l.*

That is an increase in the Government expenditure?—Of Government expenditure.

But has the expenditure from local funds and other sources increased or not?—Oh yes, it has increased.

Then the purpose of the Government in that paragraph has been fulfilled?—That is not my point. Language such as is used in this Resolution would not have been held in the House of Commons by any responsible minister during the recent debates on the Education Bill, to the effect that Government were to recognise no responsibility to do for the people that which the people can and ought to do for themselves.

(*Chairman.*) Yesterday you were reducing the Army to the unit of the European soldier, and in support of your view, you were quoting an officer of repute, namely, the late Sir George Kellner; and I think he estimated according to your quotation from him, that seven native soldiers were financially the equivalent of three Europeans; did he not?—Yes.

I was questioning the value of that reduction to one unit, because various people will vary in the way they look at it; and in support of that my attention has been called to Sir George

Kellner himself. In 1873, he said, "the soldier is the true unit of military expenditure." I am quoting his evidence taken before the Select Committee on East India Finance, "in order to get that unit, I propose to take four native soldiers as equivalent to one European soldier, financially, for the purpose of comparison." That rather shakes the authority, does it not?—One European soldier equal to——?

"I propose to take four native soldiers as equivalent to one European soldier"?—Financially?

For financial purposes?—Is that so?

I am bringing this divergence before you in support of my remonstrance against these somewhat arbitrary reductions of different classes to one denomination?—I was not aware of this expression of opinion on the part of Sir George Kellner, who was Accountant-General in the Military Department for a long time.

I quite admit your justification in quoting him; I only wanted to point out to you that, in quoting high officers, sometimes they take such various views of the same circumstances that it does not suffice to build important financial conclusions on their statements?—Yes; but we are not military experts. We can take our stand only upon what these experts say. I was not aware of this other expression of opinion on his part, else I should not have quoted him.

(*Sir William Wedderburn.*) There is a point on which it was suggested that you might be able to inform the Commission; it is with regard to the action of Lord Elgin in regard to a petition which was presented to him at Poona. It is stated that that petition was returned to the persons who presented it, for some purpose. Do you know for what purpose; can you tell us the circumstances of that petition?—Yes. I was one of the secretaries of the Poona Sarvajanik Sabha at the time when we proposed to present an address to His Lordship. It was an address of welcome, and in that we had, as was the usual practice, stated our grievances, as we had done in similar addresses to previous Viceroy, Lord Ripon and Lord Dufferin, when they were in Poona, and we had also drafted our address in the same manner. There were, I believe, four or five paragraphs in that draft which referred to Imperial grievances, Imperial expenditure, and railway policy, and things of that kind, and there were four or five paragraphs which were about local matters. In India, we generally send these drafts in advance to the persons to whom the addresses are to be presented, to enable these high persons to prepare their replies, and so we sent this in accordance with that practice to His Lordship about 10 or 12 days before the time. We, however, received the draft back with an intimation that His Lordship declined to hear anything about Imperial matters, that he was in Bombay, and he

only wanted to hear about Bombay matters, and he wanted us, therefore, to take out the four or five paragraphs that referred to Imperial questions, otherwise he would not accept the address. Now, our point, with regard to Bombay grievances was this, that we had the Governor there; we could go to him when we wanted. There were questions not in the discretion of the Governor, in regard to which we had to go to the Government of India. The Viceroy comes once in a way to Poona, and a political body like the Sabha, would naturally take advantage of his presence to press upon him their grievances in regard to the whole country, in which all were equally interested. We had done that before in the case of Lord Dufferin, and in the case of Lord Ripon; but, in this case, Lord Elgin told us that, if the paragraphs were not omitted, he would not receive the address; and, on the principle of half a loaf being better than no bread, we omitted the paragraphs.

Can you state definitely what the last four or five paragraphs related to?—It is rather difficult to recall at this moment. There was, I believe, a paragraph about military expenditure, a paragraph about railway policy, a paragraph about the Jury Bill, which was at the time agitating the people. I cannot give all the points just now; but, if I had only a little time to consult newspapers, I could do so.

There was no objection raised to the form of the petition, on the score of the language not being respectful?—Absolutely none.

It was the substance of it that was objected to?—Yes.

You will, perhaps, not have so much personal knowledge of it—but are you aware that the same objection was raised in Madras by Lord Elgin?—I have read of it in the papers.

What was the result?—The Madras Mahajan Sabha took a firmer stand than we did, and they declined to present the address.

And the address was not presented?—The address was not presented. May I here volunteer information on a point connected with that? When Lord Dufferin came to Poona, there was also a little incident, but not exactly of this kind. The Public Service Commissioners had just been appointed by His Lordship, but the people in India were not satisfied with the constitution of the Commission. In our address we condemned the constitution of the Commission. We sent a draft of the address to His Lordship, and, although he did not raise any formal objection, an intimation was privately, and very tactfully, conveyed to us that, if our opposition was not quite so uncompromising, he would be able to make a statement on the subject, which otherwise he could not make. We modified our statement a little, and that satisfied him. But this was entirely private. Lord Ripon raised no objection to the address which was presented to him.

APPENDIX—C.

FEMALE EDUCATION IN INDIA.

[Paper read at the Educational Congress held in connection with the Women's Section (Education) of the Victorian Era Exhibition, 1897, by Professor G. K. Gokhale.]

Standing here as I do, my mind cannot help being filled with thoughts in which regret and gratitude and hope are all strangely blended together. I stand before you as a representative of the only part of this great Empire which is far behind the rest in its enjoyment of the blessings of what may be called modern civilisation. And yet we were the first to emerge from barbarism, and my nation was not only great, but was the greatest of all on the face of the earth, long before any one had heard anything of the oldest states of the West. Time, however, which brings ripeness to the raw fruit brings also decay to the ripe one, and the country which was once the cradle and long the home of a noble religion, a noble philosophy, and science and art of every kind, is at the present day steeped in ignorance and superstition and all the moral helplessness which comes of such darkness.

But while this reflection fills me with what you will all admit to be a natural feeling of sadness, it is coupled with brighter thoughts, for they are the thoughts of gratitude and hope. Among the many achievements and triumphs of this Victorian Era, which you are celebrating with such legitimate satisfaction, there is, to my mind, nothing comparable to the work—the thrice blessed work—of regenerating ancient India which you have on numerous occasions pledged yourselves to achieve, and which has already been so worthily begun. The situation is, in many respects, perfectly unique in the history of the world. A great Eastern civilisation, stationary for many centuries, is being once again galvanised into life by reason of its coming in contact with a younger and much more vigorous civilisation of the West. The retention of all that is great and noble in our rational life, as it has come down to us from the past, and the fullest absorption of what is great and noble in the life of the West, as revealed to us by our connection with England—this is now the work which has to be accomplished before we can once more hold our head high as a nation. How far such an ideal union of the different elements constituting the two civilisations is possible time alone will show. The task is one of extreme difficulty, but when it is achieved, if it can be achieved at all, the reward will be correspondingly great.

A wide diffusion of female education in all its branches is a factor of the highest value to the true well-being of every nation. In India it assumes additional importance by reason of the bondage of caste and custom which tries to keep us tied down to certain fixed ways of life and fixed modes of thought, and which so often cripples all efforts at the most elementary reforms. One peculiarity of the Indian life of the present day is the manner in which almost every single act of our daily life is regarded as regulated by some religious notion or another. We must eat, and sleep, and even stand, and sit, and walk only in accordance with certain religious beliefs, and the slightest departure from the accepted ideas in these matters is understood to increase the difficulties in the path of our salvation. And, naturally, these ideas have a far stronger hold on the minds of women than of men. All who know anything of Indian women know that the turn of their mind is intensely religious—a result due in no small measure to their being shut out from all other intellectual pursuits. And this combination of enforced ignorance and overdone religion not only makes them willing victims of customs unjust and hurtful in the highest degree, but it also makes them the most formidable, because the most effective, opponents of all attempts at change or innovation. It is obvious that, under the circumstances, a wide diffusion of education, with all its solvent influences, among the women of India, is the only means of emancipating their minds from this degrading thralldom to ideas inherited through a long past, and that such emancipation will not only restore our women to the honoured position which they at one time occupied in India, but will also facilitate, more than anything else, our assimilation of those elements of Western civilisation without which all thoughts of India's regeneration are mere idle dreams, and all attempts at it foredoomed to failure. The solution appears simple enough, and yet no problem in India is surrounded with greater difficulties or requires a more delicate and patient handling.

You, in this country, who are far more fortunately circumstanced, will find it hard to realize the exact nature or the full meaning of these difficulties. You have long left behind the period when it was necessary for any one to demonstrate to you the necessity of vindicating the dignity of female education. And practically, at the present day, the highest education which this great country of yours can provide in the different sciences and arts is freely available to your women, and is freely availed of by them. It is true that the lingering bigotry of men still tries here and there to throw small obstacles in your way, but they are, comparatively speaking, of little importance. If, for instance, men will not allow you to be called Senior Wranglers, that only enables you to claim a higher distinction,—that of excelling Senior Wranglers. The freedom to acquire knowledge, and secure the culture of mind

that knowledge brings, is enjoyed in this country by men and women in an equal degree, and if any individual fails to take due advantage of this freedom, the responsibility for such neglect belongs to that individual, or that individual's guardians, and to no one else. In India, however, the state of things is entirely different. The position there cannot be better described than in the words of Lord Ripon's Education Commission, which ran thus : "The social customs of India, in regard to child-marriage and the seclusion in which women of the well-to-do classes spend their married life in most parts of the country, create difficulties which embarrass the promoters of female education at every step. The duration of the school-going age for girls is much shorter than that for boys. It usually terminates at nine and seldom extends beyond the eleventh year. At so early an age a girl's education is scarcely begun ; and in very few cases has the married child the opportunity of going on with her education after she leaves school." I must state here that this description does not apply to the Brahmins in Bengal, who, though Hindus by race, have broken from all Hindu traditions, and have cut themselves off from the Hindu community. It does not apply to the Parsees and the Native Christians. These three classes no longer suffer from the evils of early marriages, or, rather, early betrothals, and there is no enforced seclusion of married women among them ; but, after all, numerically speaking, they are a mere drop in the ocean. The description is essentially true of the whole Mahomedan community, and of the vast bulk of the Hindu community. And yet, so far as the Hindus are concerned, their women occupied a much more honoured and dignified position than this at one time. There is no doubt whatever, as stated by Dr. Bhandarkar, the foremost Sanskrit scholar in Western India at the present day, that in very old times Indian women were not debarred from the highest education. In the Vedic period—the remotest past of which we have any record—about five thousand years ago they were among the inspired writers of sacred hymns, on which our religion is based. In the Upanishads—philosophical writings subsequent to the Vedas—they are mentioned as taking part in the discussions of the assemblages of learned Rishis, in which the highest problems about the world and the Supreme and the Individual Soul were discussed. In our great epic poems—descriptive of a period subsequent to the Upanishads, but still considerably anterior to the Christian era—they are represented as going through a regular course of education, of which drawing, music, and even dancing (which is now considered degrading) formed part ; they mixed freely with men and entered into learned discussions with them on spiritual and other difficult subjects. When Buddhism took its birth in India by way of protest against the sacrificial and ritual part of Hinduism, we find women actively assisting the reform which Buddha had inaugurated, and

discussing with him abstruse points about duty, virtue and abso-
lution. It is only when we come to the period of our dramatic
literature that we perceive a tendency in women to fall behind
men in learning. We then find them not as well versed as men in
the classical language, but even then they could read and write
and compose poetry in the popular languages. And even so late
as the Eleventh Century—the century which first attracted Maho-
medan invaders to our land—we find instances of women possess-
ing a high degree of education and engaged in intellectual
pursuits. Then, almost suddenly, all light seemed to be extin-
guished, and for the last seven centuries our female world has
been enveloped in a kind of intellectual gloom.

My friend, Mr. Romesh Chander Dutt, thus writes about the
position of women in ancient India, in his admirable work on
“Civilisation in Ancient India”:—“We cherish the picture of the
“cultured lady, Viswavara, which has been handed down to us
“through thousands of years, a pious lady who composed sacred
“hymns, performed sacrifices, and with simple fervency invoked
“the God Agni to regulate and keep within virtuous bounds the
“mutual relations of married couples. We meet with the names
“of other ladies, also, who were among the writers of the sacred
“hymns of the Rig Veda.” In another place Mr. Dutt writes:—
“We have seen that the absolute seclusion of women was
“unknown in ancient India. Hindu women held an honoured
“place from the dawn of Hindu civilisation four thousand years
“ago; they inherited and possessed property; they took a share
“in sacrifices and religious duties; they attended great assemblies
“on State occasions; they often distinguished themselves in
“science and the learning of their times. And they even had
“their legitimate influence on politics and administration. Consi-
“dered as the intellectual companions of their husbands, as their
“friends and loving helpers in the journey of life, as the partners
“of their religious duties, and the centre of their domestic bliss,
“Hindu wives were honoured and respected in ancient times”. And
again:—“We saw in our account of the Epic period that ladies
“sometimes devoted themselves to the pursuit of philosophy, that
“Gargi Vacaknavi distinguished herself among the learned men
“of the Court of Janaka.

“Megasthenes is a witness to the fact that sacred learning
“and philosophy were not forbidden in the rationalistic period
“to such ladies as desired to devote themselves to such studies.”

Education, enlightened freedom, and an honoured position in
society, these—and not enforced seclusion and ignorance—are the
rightful inheritance of Indian women. The last seven centuries
of darkness have, however, so effectually done their work that
any one who reminds the Indian people of this past state of
things, and asks them to make an attempt to return to it, runs
the risk of being set down as an innovator. And in this, as in

several other matters, it is England that is awakening us to a true sense of our duty. Of course, even before the advent of the British into India, instruction of a most rudimentary character in reading and writing was sometimes imparted here and there to girls of the upper classes, but this instruction was not based on any system, and it possessed no organised character. Its nature is thus described by the Education Commission :—"Apart from the Sanskrit traditions of women of learning and literary merit in pre-historic and mediæval times, there can be no doubt that when the British obtained possession of the country, a section of the female population was educated up to the modest requirements of household life. In certain provinces little girls occasionally attended the indigenous village schools and learned the same lessons as their brothers. Many women of the upper class had their minds stored with the legends of the Puranas and Epic poems, which supply impressive lessons in morality and in India form the substitute for history. Among the lower orders the keeping of the daily accounts fell in some households to the mother or chief female of the family. The arithmetic of the homestead was often conducted by primitive methods, addition and subtraction being performed by means of flowers or any rude counters which came to hand. Among the more actively religious sects and races girls received education as a necessary part of their spiritual training. In the Punjab they may still be seen seated in groups around some venerable Sikh priest, learning to read and recite the national scriptures or Granth, and the Brahmin tutor of wealthy Hindu families does not confine his instruction to the sons alone. In some parts of the country such education as girls obtained was confined ostensibly to reading and arithmetic, writing being an art not held suitable for women of respectable life. . . . As a matter of fact, there always have been women of great accomplishments and strong talents for business in India. At this moment one of the best administered Native States has been ruled during two generations by ladies—the successive Begums of Bhopal. Many of the most ably managed of the great landed properties or Zemindaries of Bengal are entirely in the hands of females; while in commercial life, women conduct, through their agents, lucrative and complicated concerns. But the idea of giving girls a school education, as a necessary part of their training for life, did not originate in India until quite within our own days. The intellectual activity of Indian women is very keen, and it seems frequently to last longer in life than the mental energies of the men. The intelligence of Indian women is certainly far in advance of their opportunities of obtaining school instruction, and promises well for their education in the future." It will thus be seen that, for systematic and organised efforts for the promotion of female education, as also for a correct appreciation of its

importance as a factor of individual improvement and national progress, we are indebted almost exclusively to the influence introduced into the country by British rule, and these influences, moreover, have been brought to bear on us on a large scale only since the accession of the present sovereign to the throne. A brief account of the work achieved so far in this field in the different provinces of India will not be out of place in this paper.

Beginning with my own Presidency, Bombay, we find that the credit of making the first organised effort to educate Indian girls belongs to the American Missionary Society, who opened, in 1824, the first native girls' school in Bombay. By the year 1829, no fewer than 400 female pupils were receiving instruction in their schools. The Scottish Missionary Society was not long in following the example of the American Society, and Dr. Wilson, one of the most respected names in India, established on its behalf six schools for native girls in Bombay in 1829. In 1840, this society opened five schools for high-class Hindu girls in the neighbourhood of Poona. It was not till 1851 that the Indians themselves came forward to work in this field. In that year the Students' Literary and Scientific Society was formed, which counted among its founders and earliest workers such men as Mr. Dadabhai Naoroji, the late Mr. Mandlik, and others, and which has, on the whole, done most excellent work. This Society began its operations with nine vernacular free schools, attended by more than 650 girls. In 1854, the Court of Directors addressed to the Government of India the famous Despatch on Education, which laid down the lines on which the work of educating the Indian people was to be undertaken by the Government. It is a wonderful document, and no wonder that it is so, seeing that it is reputed to have emanated from the pen of John Stuart Mill. This Despatch laid great stress on the urgency and importance of female education in India, and led to Government joining in the good work, which till then had been left entirely to private enterprise. Later on, the visit of Miss Mary Carpenter, whose name will always be gratefully cherished by the Indian people, gave a great and much-needed impetus to the movement, and Female Normal Schools for the supply of female teachers were established in Bombay, Poona and Ahmedabad. The progress in female education in the Bombay Presidency during the last half century has indeed been continuous and remarkable. In 1854 there were 65 girls' schools, attended by 3,500 pupils. In 1869, the number of schools had risen to 209, and that of pupils to over 9,000. In 1881 the number of schools stood at 343, with over 26,000 pupils. Last year there were 900 schools for girls with an attendance of over 84,000 pupils.

In the Madras Presidency, the first attempt at providing schools for native girls was made in 1841 by the Missionaries of the Scottish Church. In 1845, the first girls' school under partial

native management was opened. When the Despatch of 1854 arrived in India, there were in the Madras Presidency 256 girls' schools, attended by 8,000 girls. In 1881, the number of schools had risen to 557, and that of pupils to over 35,000. Last year there were in the Madras Presidency over 1,000 schools, attended by nearly 110,000 girls.

The Despatch of 1854 found 288 girls' schools, with nearly 7,000 pupils, in Bengal. But included in this number was an institution which has since become famous in the history of female education in India—the Bethune Girls' School in Calcutta. The following account of this institution is given in the report of the Education Commission :—“ This institution was established in 1849, and bears the name of its founder, Mr. Drinkwater Bethune, then Legal Member of Council, who took an active part in many movements for the advancement of native society. It was opened under the name of ‘ the Hindu Female School,’ with 23 pupils and was for some time maintained at the entire cost and under the direct management of Mr. Bethune, who also by his will left lands and other property in Calcutta for its endowment in perpetuity. On his death, in 1851, it was taken up by Lord Dalhousie, who for nearly five years paid 8,000 rupees annually for its maintenance from his private purse. The charge was afterwards transferred to the State, although the direct management of the school continued and still continues in the hands of a Committee. Unlike the earlier Missionary efforts, the Bethune School rests on a secular basis ; and the Committee aims at conducting it in accordance with national Indian feeling. It derives its pupils chiefly from the higher classes, exacts an adequate payment for boarding and other charges, and carries its instruction up to University Standard.” The number of girls' schools in 1881 stood at over 1,000, with an attendance of over 41,000 pupils. Last year these figures were 3,352 schools and 114,000 pupils.

The early efforts of the Missionary societies towards the spread of female education were not very successful in the North-West Provinces, and the Despatch of 1854 found only 17 Missionary schools for girls, with an attendance of 386 pupils. After the receipt of the Despatch, Government took up the work with great zeal, and by 1871 the number of girls' schools in these Provinces had reached 640, and the number of pupils nearly 14,000. Then the progress was suddenly arrested, and for ten years there was actually a retrograde movement, which is thus described by the Education Commission : “ Between 1871 and 1881 a great decrease took place in girls' schools. Their abolition was mainly due to the financial position of the Government. It was felt that, if retrenchments were necessary, they could be carried out in the girls' schools with the least prejudice to education. By 1881 the number of schools had dropped from 640 to 308, and the number

" of pupils from 14,000 to less than 9,000. The ground thus lost
 " has not been recovered yet. Last year the number of girls'
 " schools in these Provinces stood at 425, and the number of pupils
 " at about 12,500.

" In the Punjab, the indigenous schools for religious instruc-
 " tion have always been careful in imparting the rudiments of
 " reading and writing to females, and even at the present day we
 " have over 900 of such schools attended by nearly 13,000 girls."
 In addition to such schools the Despatch of 1854 found 17 Mis-
 sionary schools attended by 300 girls. Then the numbers began
 to decrease, as in the North-West Provinces, and by 1881 they had
 dropped to 311 schools and 9,000 pupils. Last year these figures
 stood at 362 and a little over 13,000, respectively.

Thus in these five provinces, we had, in 1854, about 600
 schools for girls, attended by about 19,000 pupils. Instead, we
 have now over 6,000 schools, attended by nearly 250,000 girls.
 The progress indicated by these figures is beyond all doubt most
 striking and so far very satisfactory. In one respect, however, there
 is room for dissatisfaction and even disappointment. Nearly all
 this progress, remarkable as it is, is confined to primary education.
 Taking the Bombay Presidency, for instance, we find that among
 the 900 and odd schools for girls, there are only 60 for secondary
 education, and even these are for the most part European, Eur-
 asian or Parsee schools. The number of secondary schools for
 Hindu girls is only 4, with an attendance of less than 200 pupils
 —the most notable of these being the female high school in Poona,
 which owes so much to the inspiration, sympathy, and support of
 our good friend Sir William Wedderburn. As for higher educa-
 tion, there is not a single female college—arts or professional—in
 the whole Presidency. The main difficulty in the way of the
 higher or secondary education of Hindu girls is, of course,
 the fact that these girls must be married, or rather betrothed, before
 a certain age—the present limit being about 11 or 12 years—and
 that they are, as a rule, withdrawn from school immediately after
 such marriage or betrothal. The question is thus intimately con-
 nected with another necessary reform, namely, raising the
 marriageable age of Hindu girls. And the position may be cor-
 rectly described in the following words of the late Mr. Justice
 Telang: " In discussing this matter, we seem sometimes to move
 " in a vicious circle. We cannot successfully raise the age of
 " marriage for girls among any large portions of our community
 " without a wide spread of female education. And, on the other
 " hand, any considerable spread of real female education is hardly
 " possible until the age of marriage is raised. There is a real
 " difficulty here, but the way to meet it is at one and the same
 " time to push on female education to the extent that is possible,
 " under present conditions, and to extend the limits of marriage-
 " able age in the same way. And as every advance is secured

"along either of these lines, the further advance will become more and more easy. Our progress in the later stages will be accelerated, if I may say so, in geometrical progression."

Even the progress in primary education, which appears so striking, marks, after all, only the commencement of the great work that in reality lies before us. The following figures will make my meaning clear. In the Madras Presidency, according to the last census, out of a total female population of 20,000,000, only 250,000 females can read and write, or are under instruction, which gives a ratio of 1 in 80. In the Bombay Presidency the figures are 100,000, out of a total female population of about 13,000,000, thus giving a ratio of 1 in 130. In Bengal, out of 37,000,000 females, only 150,000 can read and write, or are under instruction which means a ratio of 1 in 250. In the Punjab, the figures are 35,000, out of a total of 11·5 millions—a ratio of 1 in 330. In the North-West Provinces we have 50,000 females who can read and write, or are under instruction out of a total of 23,000,000 which gives a ratio of 1 in 410. The Central Provinces have a female population of 6·5 millions, and of these only 12,000—i.e., 1 in 548—are attending schools or can read and write. Comments on these figures are really superfluous.

The difficulties, apart even from social customs, are many and serious. The supply of good female teachers is certainly far short of the needs of the country. The female training colleges are doing useful work in this connection, but there is a general feeling that they do not attract a sufficiently large number from those classes of women whose employment as teachers would inspire general confidence. Then the question of determining the proper curriculum for girls' schools is surrounded with difficulties. As the appreciation of female education becomes more widespread, men will come to recognize that there ought to be no more impediments in the path of girls than in that of boys in selecting the subjects they are to study or choosing the books they are to read. In our present circumstances, however, when it is necessary for us to work along the line of least resistance, it is necessary to take note of the different surroundings of boys and girls in Indian Society in determining the course of instruction, and to make some concession even to popular prejudices on the subject. I fear this has not been done in the past to the extent that is desirable. The worst defect in the present system of female education in India is the utterly dry, mechanical and uninteresting character of the methods of instruction. Women naturally possess more refined sensibilities than men, and have a finer, more delicate æsthetic perception; and a course of instruction which merely overloads the memory and fails to appeal to the imagination is not calculated to leave on the minds of small girls very agreeable impressions of their brief school career. But, as I have observed above, the good work of female education is only just

begun in India, and what has been already accomplished is as nothing compared with what yet remains to be achieved. And I have firm faith that in course of time all the deficiencies which at present constitute so many obstacles in our path will one by one disappear. Here, if anywhere, we feel that the flowing tide is with us. The opposition of my countrymen to the education of their girls, at one time so general and so pronounced, has already softened into indifference, into toleration. And from this to active appreciation is but a single step, though I must admit it is not a short step. Happily there is no trace of hesitation or misgiving in the minds of our rulers on the subject, and philanthropic ladies and gentlemen in this country, to whose sympathy and assistance we are already so much indebted, may well be trusted to continue their good work in the future. What has been said of charity is also true of education. It blesseth those that give as also those that receive. And if any words of mine, addressed to you to-day, lead any to join in the emancipating work of female education in India, I shall feel that my humble labours have been amply rewarded.

APPENDIX—D.

SELF-GOVERNMENT.

[A paper read before the East India Association, London.]

My object in addressing you is to state before this Association briefly, and I hope clearly, what are to-day the ideas and aspirations of the vast majority of those Indians who have come under the influence of Western thought in regard to the government of their country. I think it will be generally admitted that the dissatisfaction in India with the existing system of administration has been for some time past rapidly growing, and we have now reached a stage when it is necessary for the rulers, if further alienation between the two sides is to be prevented, to make a bold and statesmanlike attempt to win back the confidence of the educated classes of the country. These classes have in the past been led to believe that the sole aim of British rule in India was the welfare of the Indian people, and that, under that rule, no distinction would be made between Indians and Europeans in the government of the country on grounds of race or creed or colour. The Charter Act of 1833 and the Proclamation of 1858 of the late Queen have pledged the word of the Sovereign and the Parliament of this country—the only two authorities that can claim to speak in the name of the English nation—to such a policy. And till a few years ago, whatever might have been thought of the pace at which we were going, there was no general disposition to doubt the intention of the rulers to redeem their plighted word. To-day, however, the position is no longer the same. Things have moved even in dreamy and contemplative India, and many of the members of this Association who, in their time, have held high, and, in some cases, distinguished, official positions in that country, must have been startled recently to read in the columns of such eminently Conservative journals as the *Times* and the *Morning Post* the accounts of the ferment in India witnessed by their special correspondents, and the significance they found it necessary to attach to that ferment. There is no doubt that the old faith of the people in the character and ideals of British rule has been more than shaken, and its place is being steadily taken by a conviction that, however great England may be, she is not great enough to forego voluntarily the gains of power from considerations of mere justice or national honour. I do not say that such a view is quite just to the average man or woman of this country

Probably the democracy here will not tolerate such complete exclusion of the Indians from their own Government, if the real character of the present system of administration is clearly brought home to its mind. But whatever its sympathies in the abstract may be, they are rendered inoperative, first, by its absorption in questions of domestic interest, and, secondly, by the dense and impenetrable ignorance about India that prevails in this land on all sides. Moreover, the people of India can judge of the intentions of Englishmen only from their experience of those who go out to India to exercise authority over them, and I think it is no injustice to this class to say that most of its members show no particular anxiety to part with any portion of the power they at present enjoy, or to associate more than they can help the people of the country with themselves in the work of administration.

I know there are those who think that no serious importance need be attached to the temper or opinions of the educated classes of India: first, because, numerically, they are a small—as one Viceroy said, “a microscopic”—minority; and, secondly, because there are so many caste and creed divisions in India that united action on the part of the people in support of the views of the educated classes is impossible. It is true that, as far as mere numbers go, those who have received Western education in India form but a small proportion of the entire population, only a little over a million persons being returned at the last census as “literate in English” out of nearly three hundred millions. But there can be no greater mistake than to imagine that the influence of this class in the country is proportionate only to its numbers. In the first place, these men constitute what may be called the brain of the community. They do the thinking not only for themselves, but also for their ignorant brethren. Moreover, theirs is the Indian press—both English and vernacular—and the vernacular press shapes the thoughts and sways the feelings, not only of the fifteen million “literates in vernaculars” whom it reaches directly, but also of many more millions who come indirectly under its influence. And whatever public opinion exists in the country reflects almost entirely the views of the educated classes. The officials sometimes look to old historic families, which in more turbulent times supplied leaders to the country, to exert a rival influence; but they have now lost their former hold on the public mind, because in these days of peace and of transition, rusty, broken swords cannot compete with ideas as a source of importance and power. The influence of the educated classes with their countrymen is thus already very great, and is bound every day to grow greater and greater. As regards caste and creed divisions, even these are not now so acute as they once were. Half a century of Western education, and a century of common laws, common administration, common grievances, and common disabilities, have not failed to produce their natural effect even

in India. The awakening of the Mohammedans of Alighar to the necessity of political agitation is a significant sign of the times. It is most improbable that the Alighar programme, when drawn up, will be found to be substantially different from the Congress programme, and though the new organisation may maintain its separate existence for a while, it must inevitably merge itself sooner or later into the larger and older organisation of the National Congress.

I think those who are responsible for the government of India have now got to realize two facts, that any further alienation of the educated classes would be a course of supreme political un-wisdom; and, secondly, that such alienation cannot be prevented unless the faith of these classes in the desire of the rulers to carry out the policy of the Charter Act of 1833 and the Proclamation of 1858 is restored. Whatever a certain school of officials in India may say, the bulk of educated Indians have never in the past desired a severance of the British connection. Not only was their reason enlisted on its side, but in the earlier years, at any rate, even their imagination had been captured by it. The fact that a small island at one end of the world had by an astonishing succession of events been set to rule over a vast country, inhabited by an ancient and civilised race, at the other end; the character of the new rulers as men who had achieved constitutional liberty for themselves, and who were regarded as friends of freedom all over the world; their noble declarations of policy in regard to India—these were well calculated to cast a spell on the Indian mind; while the blessings of continued peace and order well established, the introduction into the country of the higher and more vigorous administrative standards of the West, the establishment of universities and schools, throwing open to the people the rich treasures of Western knowledge, and bringing them under the influence of Western ideas, the dispensing of equal justice between Indian and Indian, liberty of speech and liberty of writing, railways, post offices, telegraphs, and other modern appliances of material civilization—these were solid and undeniable advantages brought to the people, which for a long time continued to be a theme of genuine and unstinted appreciation. The spell, however, is already broken, and even the hold on the reason is steadily slackening. A tendency has set in to depreciate even those advantages which at one time were most cordially acknowledged. And the disadvantages of the situation—wounded self-respect, inability to grow to the full height of one's stature, a steady deterioration in the manhood of the nation, and economic evils of vast magnitude inseparable from such foreign domination—these evils which, while the spell lasted, had not been realised with sufficient clearness, have now already begun to appear as intolerable. I think there is no room for doubt that the whole attitude of the Indian mind towards British rule is undergoing a change. As yet

the vast majority does not clearly understand this change. It would like to remain, if it could, in the old familiar groove, and it feels surprised, pained, disappointed, indignant that it cannot remain in that groove, and is being driven in a direction which it does not understand. It is a critical juncture in the relations between England and India. The highest statesmanship is needed to deal with the situation, and every day the problem grows more and more difficult of solution.

After all, India's willing acceptance of the British connection can only be based on reason or enlightened self-interest. English officials in India often fail to realise the extent to which the policy laid down by the Sovereign and by Parliament has reconciled the thinking portion of the Indian community to British rule. They seem to think that, as that policy has been allowed hitherto to remain for the most part a dead letter, it could not really have any serious practical bearing. There cannot be a more complete misconception of the whole situation than this. Throughout these long years the educated classes have not lost sight of the policy even for a single moment, and though their patience under its continued non-fulfilment—which at last has begun to give way—has worn to superficial observers the appearance of indifference, the belief that the pledges so solemnly given would not go unredeemed has, more than anything else, determined so long their attitude towards British rule. Once this attitude is allowed to undergo a change, such as it is now doing, the rulers will not be left long in doubt as to the great part which the Charter Act and the Queen's Proclamation have had in insuring the loyalty of the people. It was a failure to perceive this which was responsible for the grave mistake which Lord Curzon committed more than two years ago, when he sought in open Council to explain away the Queen's Proclamation, and practically told the people of India that, as long as British rule lasted, there could be no real equality between Englishmen and Indians in India. It is sometimes said that the existing arrangements make for efficiency of administration, and in the interests of that efficiency it is necessary that they should not be disturbed. There is an air of plausibility about this plea, but those who urge it ignore the wisdom of an observation which the present Prime Minister once made, that "good government could never be a substitute for government by the people themselves!" On a closer examination, moreover, the contention will be found to be perfectly untenable. The efficiency attained by a foreign bureaucracy, uncontrolled by public opinion, whose members, again, reside only temporarily in the land in which they exercise official power, is bound to be of a strictly limited character, and it can never compare with that higher and truer efficiency which is possible only under a well-regulated system of self-government. The present form of administration in India is a strongly centralised bureaucracy in which

the men at the centre hold office for five years only. They then leave the country, carrying away with them all the knowledge and experience of administrative matters acquired at the expense of the country, and their places are taken by new men, who, in their turn, retire similarly after five years. As things are, there is no one ever in the Government who is permanently interested in the country as only its own people can be interested. One result is that the true well-being of the people is systematically subordinated to militarism, service interest and the interests of English mercantile classes; and though under such a system peace and order may be maintained, and even a certain amount of efficient administration secured, the type of efficiency is bound to remain a low one always. Moreover, it is clear that even such efficiency of administration, as has been attained in the past by the existing system, is bound to suffer more and more, owing to the growing antagonism of the governed to that system. No man, for instance, ever laboured more strenuously for mere efficiency than Lord Curzon, and yet never was discontent deeper and more widespread than when he left India, and no Viceroy of recent times has had to succeed to a greater legacy of difficulties than Lord Minto.

It may be that bureaucracies, like the Bourbons, never learn, but it should really not be difficult for Englishmen to realise that you cannot have institutions like the universities working for more than half a century in India, and then expect to be able to govern the people, as though they were still strangers to ideas of constitutional freedom or to the dignity of national aspirations. Those who blindly uphold the existing system, and resist all attempts, however cautious and moderate, to broaden its bases, prefer practically to sacrifice the future to the present. No one denies the undoubted difficulties of the position, but they are by no means so formidable as those who do not want to move at all like to believe. The goal which the educated classes of India have in view is a position for their country in the Empire worthy of the self-respect of civilised people. They want their country to be a prosperous, self-governing, integral part of the Empire, like the Colonies, and not a mere poverty-stricken, bureaucratically-held possession of that Empire. The system under which India is governed at present is an unnatural system, and however one may put up with it as a temporary evil, as a permanent arrangement it is impossible, for under such a system "the noble, free, virile, fearlesslike," to use the words of a well-known American preacher, "which is the red blood of any nation gradually becomes torpid," and nothing can compensate a people for so terrible a wrong. Of course, we recognise that the new self-government has to be on Western lines, and therefore the steps by which the goal is reached must necessarily be slow, as, for the advance to be real, it must be from experiment to experiment only. But there is all the difference in the world between such cautious progress and no progress at all;

and the bureaucracy which, by standing in the way of all reasonable instalments of reform, hopes to prevent reform altogether, is only undermining its own position by such a short-sighted and suicidal policy. The officials in theory admit the necessity of associating the people with the government of the country, but they object to admitting only a small proportion of the population to a share in the administration, and they ask us to wait till the mass of the people have been qualified by education to take an intelligent part in public affairs! At the same time, how much or how little is being done to push on mass education may be seen from the fact that, after more or less a century of British rule, and forty years after England herself woke up to the responsibilities of Governments in regard to mass education, seven children out of eight in India are growing up to-day in ignorance and darkness, and four villages out of five are as yet without a school-house! Moreover, it is ignored that what is asked at the present stage is a voice in the administration, not for the whole population, but only for those who have been qualified by education to exercise their responsibilities in a satisfactory manner. As regards the bulk of the people, it is recognised that education has got to come first, and what is urged is that this educational work should be pushed on in the most vigorous manner possible.

It is true, as I have already admitted, that an Oriental country cannot hope to advance on Western lines, except by cautious and tentative steps. But what Japan has been able to achieve in forty years, India should certainly have accomplished in a century. The attitude of the two Governments in the matter has, however, been one of the main elements of difference in the two cases. My concern, however, is more with the present and the future than with the past. And here I repeat that, unless the old faith of the educated classes in the character and ideals of British rule is brought back, England will find on her hands before long another Ireland, only many times bigger, in India. The younger generations are growing up full of what may be called Irish bitterness, and the situation must fill all who believe in the peaceful progress of the country under British rule with anxious apprehensions. If India is to attain self-government within the Empire—an idea which to an increasing proportion of my countrymen appears to be a vain dream—the advance will have to be along several lines more or less simultaneously. Of these in some respects the most important is the admission of Indians to the higher branches of the public service. As long as India continues to be bureaucratically governed, admission to high office will be a test of the position assigned to the Indians in the system of administration. It is not a mere question of careers for young men—though even that view is entitled to weight, and the bureaucracy certainly behaves at times as though the most important question before it was how to retain and, if possible, increase the existing

number of openings for the employment of Englishmen in India—but it is a measure of our advance towards that equality which has been promised us by the Sovereign and by Parliament. Moreover, as the ranks of the bureaucracy come to be recruited more and more from among the Indians, its resistance to the control of taxpayers' representatives will grow less and less. At present only the field of law—and there, too, only a portion of it—is freely open to us, and we find Indians there climbing right to the top of the tree. And if my countrymen are thought to be qualified to discharge the duties of Chief Justice and Advocate-General, it is preposterous that they should be kept out of the superior ranks of Excise and Opium and Salt and Customs and Post and Telegraph and Survey, and similar other services. Under present arrangements India's true centre of gravity is in London. We protest against this most unnatural arrangement, and we urge most strongly that all competitive examinations for recruitment to Indian services should be held, not in London only, but simultaneously in India and in England. And we claim to be admitted now to the Executive Councils of the Viceroy and the Governors of Madras and Bombay, as also to the Secretary of State's Council in this country. Next, we want district administration—which is the unit of administration in India—to be decentralised. On the one hand, it must be freed from the present excessive control of the secretariat of the central Government and its numerous special departments; and, on the other, the people of the district must be provided with opportunities to influence its course more and more largely, till at last the officials become in fact, as they are in theory, the servants of the people. The first step towards this is to associate with the heads of districts, for purposes of general administration, boards of leading men elected by the people, at first, perhaps, merely advisory, but gradually entrusted with increasing powers of control. In this way an administration conducted with the real consent of the governed may, in course of time, be substituted for the present system of administration carried on in the dark and behind the backs of the people concerned, with its attendant evils of confidential reports and police surveillance. Then, local self-government must be carried further. It still remains all over the country where it was placed by Lord Ripon a quarter of a century ago, and in some places it has even been pushed back. Local bodies should now be made in the more advanced localities wholly popular assemblies and while the control of the Government over them must not be weakened, they should be freed from all petty and harassing interference on the part of officials. As regards Legislative Councils, the position is more difficult. Of course, the next instalment, whenever it comes, can, I think, be clearly foreseen. The enlargement of the Councils, the widening of their functions so that Budgets should be really discussed and passed, an increase in the proportion of elect-

ed members up to the point at which the officials will still have a small standing majority—these changes may sooner or later appear safe enough even to the official mind. But the advance beyond that is really the thing that will matter, and it is not easy to see how it will come about. As long as the higher branches of the public service continue to be a practical monopoly of Englishmen, there is small chance of the Legislative Councils being entrusted with any substantial share of control over the actions of the Executive, and this consideration emphasises still further the necessity of steadily Indianising the service of the country. In the army, too, our position must be generally improved, and the commissioned ranks now thrown open to carefully selected Indians. Side by side with these reforms, mass education must be taken vigorously in hand, so that in twenty years from now, if not earlier, there should be free and compulsory education in the country for both boys and girls.

I think that an earnest and sustained advance along these lines will go far to prevent any further alienation of the educated classes, and even their old goodwill may thus be regained. I cannot say that I have much hope that any such policy will be at once adopted. The struggle before us is, I fear, a long one, and, in all probability, it will be a most bitter one. The flowing tide, however, is with us, and such a struggle can have but one issue. It only remains for me to say that it has been a pleasure to me to respond to the kind invitation of this Association. I do not expect that my views will receive any large assent at this meeting, and this only adds to my sense of the compliment which the Association has paid me.

APPENDIX—E.

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EDUCATION IN INDIA.

The following is the Address delivered by Prof. Gokhale at the Tenth Annual General Meeting of the Bombay Graduates' Association, 11th April 1896.

Mr. President and Gentlemen,—I appear before you in response to the call made on me by the Executive of the Graduates' Association. I may, however, tell you that I have ventured to comply with the request thus made to me with the greatest diffidence. And, indeed, if I had consulted my own wishes only, I should never have been guilty of what, to my mind, appears to be so great a presumption. Standing here before you, I cannot help thinking of the immense distance between those who have preceded me in this office and my humble self. The first address of this kind was delivered three years ago by one who is now acknowledged on all hands to be the ablest and the most brilliant of our public men, not only in this Presidency, but in the whole country—one of whose matchless leadership we are all of us so proud—I mean, our President, the Hon'ble Mr. Mehta. Two years ago, the task was assigned to one whose profound intellect and profound learning have justly acquired for him the title of the Prince of Graduates, and to whose indefatigable labours in the interests of his country for over a quarter of a century Mr. Mehta paid the other day so warm and eloquent a tribute—the Hon'ble Mr. Justice Ranade. Last year, the choice of the Association fell on one who was, indeed, not so widely known in this Presidency as his two predecessors, but who was in every respect a most worthy and estimable educationist—one who had held for ten years, with great honour to himself and credit to his countrymen, the highest administrative post in the Educational Department available to an Indian in the country—the Directorship of Public Instruction in Berar—and who had, like Mr. Ranade and Mr. Mehta, received at the hands of the Government of India a signal mark of their confidence and respect—I mean, Rao Bahadur S. B. Jathar. Now, gentlemen, you must all feel—as I feel myself—that from these men to the individual now standing before you is a great, a lamentable descent. I admit that you cannot hope to secure a Mehta or a Ranade every year. Certainly in our

own ranks we may look around us and we shall look in vain for the like of them. But because you cannot always get a first rate man, therefore it is not necessary that you should come down a great many steps at once. And I assure you in all sincerity that I can think at this moment of a dozen men at least who might well have served to break this fall. But the ways of this Association are inscrutable, and the request to deliver this year's address was pressed on me in such a manner that I felt it was not open to me to refuse. Of course, I am sensible that the Graduates' Association have paid me a great compliment. But there are some compliments which one would escape rather than receive, and I am not sure that this one does not belong to that category.

Gentlemen, some of our Anglo-Indian friends are in the habit of complaining that when we meet on occasions like this, we generally manage to lose sight of what the British Government have already done for us, and we only think and talk of what yet remains to be done. It is said that the work already achieved by the present Government in regard to public education is so wonderful, and their liberality in this respect bears so marked, so powerful a contrast to the apathy or ignorance of previous Governments in the matter, that really we ought to be thankfully satisfied with what we have got, and it is little less than ungrateful on our part to clamour for more. But, gentlemen, does not this line of argument betray a radical misconception of the obligations which England has voluntarily incurred in regard to the government of India, and does it not seriously detract from the worth of British rule by practically wresting from it one of its most notable features? I think that in the connection of England with India, the proudest fact for an Englishman to contemplate is the introduction into this country of Western methods of government and Western conceptions of the duties of the rulers to the ruled. Now it is not, in my opinion, consistent with the dignity of British rule that the adequacy or inadequacy of its work should be measured, not by standards which obtain in the West, but by comparing it with the work of Governments admittedly much less enlightened than itself. No, Sir, those of our critics who call upon us to be satisfied with things as they are, simply because they are better than they ever could have been under any previous Government, do not do sufficient justice to the task which England has proposed to herself in India, and which, let us all fervently hope, she will not, under God's providence, fail in the end to accomplish. It is because we appreciate the character and magnitude of this task better than our critics do that we are constantly reminding Government that what has been accomplished is only a fraction of what England has undertaken and is expected to achieve, and that if ever she should listen to the selfish cry of craven-hearted or short-sighted counsellors and feel inclined to turn back or even call halts while the goal is yet so distant, the consequences would

be simply disastrous. England's performance must be judged by the character of her rule and by the measure of her undertaking and promises, and if a comparison is to be instituted, it must be between her work in India and her own work elsewhere—in the United Kingdom and the Colonies.

But, gentlemen, our critics have good reason to shrink from such a comparison, which can only disclose how tremendous is the difference between what England is doing for her own people in the matter of education and what she is doing for us here in India. A few figures will make my meaning clear. In England education is compulsory, and so every child of school-going age has to attend a primary school for a certain period. In India, taking the latest figures recently published by the Government of India, we find that on 31st March 1894, out of about 84 million children of school-going age in British India, no less than 30 millions, *i.e.*, over 88 per cent., were not attending any school, Government or private, Municipal or Local, aided or unaided. In England primary education is free, and even books and slates are supplied to the scholars free of cost. In India the Educational Department insists that, as a rule, no more than a certain small percentage of scholars only should be educated free in schools maintained by Government or public bodies, or receiving aid from public funds. In our Presidency the exemptions thus allowed must not exceed 15 per cent., and the spirited controversy, which my friend the Hon'ble Mr. Setalwad had, more than a year ago, with the Bombay Government in the matter, has brought prominently before the public several curious features of the Bombay system. Last year there were 31,268 inspected primary schools in Great Britain and Ireland for a total area of 120,979 square miles, which gives about one school for every 4 square miles. The figure of inspected primary schools in British India in the same year was 75,285 for an area of 964,993 square miles, which means about one school for every 13 square miles. Last year there were over 32,000 persons receiving University education in the United Kingdom, out of a total population of less than 40 millions. On the other hand, during the same year, here, in British India, out of a total population of 23 crores, only 16,000 students were receiving collegiate education. And yet there are persons who are never weary of telling us that we are having too much of higher education in this country! The grant in the United Kingdom last year from the Imperial Treasury to meet the educational requirements of a population of less than 40 millions was close on 10 millions sterling. During the same year in British India the grant out of the Provincial revenues to satisfy the educational needs of a population of 23 crores was only 90 lakhs of rupees. If we turn from the United Kingdom to the Colonies, the comparison is equally unfavourable to the Government of India. In Canada and the Australian Colonies education

is compulsory, and every child of school-going age has to be under instruction. It is also free, and the subsidies of Government in some cases are so large as to "stagger credibility." In the Provinces of British Columbia and the North-West Territories in Canada, for instance, the schools are supported wholly by Government. The same is the case with the Colony of Victoria in Australasia. The African Colonies do not yet possess the settled character of the older settlements, but even there the education of white children is practically compulsory, and in the case of poor children free. Even our tiny little neighbour of Ceylon—which seems designed by Nature to be to India what the Isle of Wight is to England—is miles and miles ahead of us in this matter. Last year out of a total population of school-going age of $4\frac{1}{2}$ lakhs, nearly 170,000 were under instruction, which gives a percentage of 38 as against 11 for British India. The percentages of total State expenditure on education to total revenue in each case also possess a kind of melancholy interest for us. In order that the comparison should be as fair as possible, I will take in each case only the total taxation revenue, and in the case of India, I will omit from the total figure given under "Principal Revenue Heads" not only the revenue from Provincial rates, but even the opium revenue as for the most part contributed by the foreign consumer. The percentages for the last year work thus—

| NAME. | TAXATION REVENUE. | STATE EXPENDITURE ON EDUCATION. | Per cent. |
|--------------------|----------------------|------------------------------------|--------------|
| United Kingdom ... | 78.7 Mill. £. | 9.6 Mill. £. | 12.5 |
| Canada ... | 27.9 Mill. Dol. | About 3 Mill Dollars. | 10.7 |
| New South Wales... | 4.7 Mill. £. | .61 Mill. £. | 12.5 |
| New Zealand ... | 2.3 Mill. £. | .44 Mill. £. | 19 |
| Victoria ... | 2.5 Mill. £. | .64 Mill. £. | 25.7 |
| Ceylon ... | 10.85 Mill. Rs. | .604 Mill. Rs. | 5.5 |
| British India ... | 525.2 Mill. Rs. | 9.03 Mill. Rs. | 1.7 |

So far we have been taking, what may be called, the statistical view of these statistics. If we further consider them dynamically, the feeling of dissatisfaction is likely to turn into one of despair. In 1891, for instance, the grant to education in the United Kingdom out of the Imperial treasury was less than 6 millions sterling. Last year it was close on 10 millions sterling, an actual increase of nearly four million pounds in four years! In British India, on the other hand, the expenditure on education out of provincial revenues in 1891 was 88.91 lakhs of rupees. Last year it was 90.3 lakhs—an increase of less than $1\frac{1}{2}$ lakhs. And even this contemptible increase of $1\frac{1}{2}$ lakhs cannot indicate any extension of educational operations, since the figure for 1891 included no charge for Exchange Compensation Allowance, whereas last year this charge must have been over, rather than under, $1\frac{1}{2}$ lakhs, seeing that for the

Education Department of the Bombay Presidency alone it was put down at Rs. 40,000 in last year's Provincial budget. Again, ten years back, the State expenditure on education in India was 39 per cent. of the total expenditure on education from all sources. Four years back this percentage was 28. Last year it was 27. In 1886, the expenditure from Provincial revenues on education was 86 lakhs. This gives an increase of 4 lakhs in 10 years. To this, however, must be added the sum of 9 lakhs, which, till 1886, was administered by the Education Department of Bengal, and which was, in that year, handed over to local bodies. The total increase in State expenditure on education is thus 13 lakhs in the last ten years. How pitiful is this increase compared with the vast growth of military and civil expenditure that has taken place during the same period! Even what is known as "Political" expenditure beyond the frontier shows during this period an increase of 46 lakhs for the purpose of increasing the subsidies of the Amir and other frontier chiefs, paying increased amounts to the tribal levies, and giving increased allowances to the Swatis and Bajouries and other tribes! Well may a student of Indian finance exclaim, as a recent writer has done, that, in the opinion of the British Government, the doubtful and enforced allegiance of these semi-barbarous tribes is of more consequence to the peace and glory of the Empire than the moral and intellectual elevation of the Indian people!

Now, gentlemen, what can be the real explanation of so woeful, so culpable a neglect of so supreme a duty! We know that the Government started fair. The Despatch of 1854, which the Education Commission rightly described as the great charter of Indian Education, unreservedly accepted the most solemn responsibilities in the matter. "Among many subjects of importance," the Court of Directors announced, "none can have a stronger claim to our attention than that of education. It is one of our most sacred duties to be the means, as far as in us lies, of conferring upon the natives of India those vast moral and material blessings which flow from the general diffusion of useful knowledge, and which India may, under Providence, derive from her connection with England." Speaking of this Despatch, the Education Commission thus wrote:—"In 1854 the education of the whole people of India was definitely accepted as a State duty; and the Court of Directors laid down with fullness and precision the principles which were to guide the Indian Government in the performance of this great task. Their Despatch of 1854 still forms the charter of education in India, and after the East India Company itself had disappeared, its principles were confirmed by the Secretary of State in the Despatch of 7th April, 1859." It is thus clear that the Indian Government have accepted, in the matter of education, the same responsibilities that the Imperial and Colonial Governments are respectively discharging in the United Kingdom and the Colonies

to-day. The beginnings, indeed, were all that could be desired, but the work was never pushed on with anything like the vigour which has, for instance, characterised the efforts of the English Government for some time past. In 1882, as many of you are no doubt aware, Lord Ripon appointed a Commission to inquire into the condition of education in the country. The inquiry was of a most elaborate character, and the Commission's Report is one of the weightiest and most interesting documents ever published in India. Now, in concluding their financial summary, the Commissioners thus wrote :—"It seems inevitable that our recommendations must lead to increased expenditure in two directions." And, again, "we believe that if the Indian Government are to recognise adequately the great task before them, increased expenditure will be required." And further on, "the most advanced province of India still fails to reach 75 per cent. of its male children of the school-going age, and 98 per cent. of its female children of that age. While in one province, with its total population of both sexes exceeding 44 millions, nearly 92 boys in every hundred are growing up in ignorance, and female education has hardly begun to make any progress. The Census returns are equally conclusive in showing the magnitude of the work that remains to be done before education in India can be placed upon a national basis." The Government of Lord Ripon, in their resolution on the Commission's Report, admitted the justice of these views. And after expressing a hope that private munificence would continue to come to the assistance of Government, as in the past, they wrote :—"The Local Governments should also, as far as their means permit, supplement this increased local effort by contributions from Provincial revenues. In urging on Local Governments a more liberal policy in regard to educational expenditure, the Government of India is aware that the policy is one, the proposed development of which was not contemplated on the conclusion of the Provincial contracts, under which education is purely a Provincial charge. The Governor-General in Council will, therefore, should necessity arise, and should a review of the financial situation of any Local Government show that it is unable to increase expenditure on education to the extent contemplated, be prepared to consider any claims that may reasonably be put forward for assistance from Imperial revenues, and to deal with them in as liberal a spirit as the condition of Imperial finances will at the time permit." But, soon after, there was a change in the Viceroyalty, Lord Ripon being succeeded by Lord Dufferin. In 1886 the new Viceroy appointed Sir A. Croft to write a review of education in India, who accordingly submitted a report. And it was in passing orders on this Report that Lord Dufferin issued a resolution, which, I have always felt, has never attracted the attention or received the criticism and condemnation which were its due. In

this resolution the attitude of Government towards public education is thus defined:—"The Government of India recognises its responsibility to provide, so far as its means permit, facilities for the education of the people. But in educational, as in other matters, it is the policy of the Government of India to avoid entering into competition with private enterprise. It pioneers the way; but having shown the way, it recognises no responsibility to do for the people what the people can and ought to do for themselves." And after noticing the increase in expenditure during the four previous years, the resolution thus lays down the future policy:—"The Governor-General in Council considers that the growth of the share borne by Local Bodies should, for the future, exhibit a more marked increase than it has done since 1885, and that there should be a tendency to decrease rather than to increase in the share which now is defrayed from the public treasury." What wonder if, after the issue of such a resolution, the State expenditure on education has continued stationary for the last four years! And how characteristic is the difference in spirit between the Ripon resolution and the Dufferin resolution—how closely corresponding to the difference between a peace-loving Viceroy and one who allowed himself to fall under the influence of jingoism—between a Viceroy of beneficent domestic reforms and a Viceroy bent upon a spirited foreign policy!

Gentlemen, it may be said that the Dufferin resolution was issued because of the grave financial embarrassment from which the country has been suffering for some time past. This explanation, however, cannot be accepted as satisfactory or adequate. Was it not during this self-same period of embarrassment that large additions were made to the military and civil charges of the country? Was it not under circumstances of even a graver financial crisis that Lord Lansdowne granted that iniquitous Exchange Compensation Allowance to the European employees of Government—an allowance granted equally to him who has to make remittances to England and to him who has not; to him who had come out to India while the rupee was at 2s., and to him who came after it had dropped to 14 $\frac{1}{2}$? Has not the Government only this year wantonly sacrificed a perfectly legitimate revenue of 50 lakhs to please Lancashire? Has it not seen its way to bear a permanent additional charge of a quarter of a crore in connection with Chitral to maintain what it calls its "prestige"? Has it not even been able to find money to send the Amir's son to England and pay for his board and travelling, his whims and his fancies. If the Government can do all these things, and find money to do all these things, how can it be decently urged that public education—acknowledged to be a most sacred duty—must be starved because of want of funds? If in England and the Colonies from 10 to 20 per cent. of the revenue raised by taxation returns to the people in the shape of

education, why should we alone be asked to be satisfied with a pittance of less than two per cent.? What is there, for instance, except the want of a real desire, to prevent Government from adding to its expenditure, say, a crore of rupees—yes, a crore and even more—for discharging better this most sacred duty of education as easily as when it granted exchange compensation to its overpaid officers? But there is reason to fear that this so-called sacred duty has now ceased to be regarded as sacred, and that many members of the ruling race would seem to consider it as an ugly and inconvenient burden to be got rid of at the first decent opportunity. I cannot help saying that such a view is fraught with the gravest danger to the prosperity of the Empire. Education is the sheet-anchor of the people's loyalty, it is the sheet-anchor of the people's progress; and the expenditure incurred to educate the people will be found to be a source of strength, when the subsidies to the wild tribes and the demarcations of scientific frontiers are found to fail.

Gentlemen, the apologists of Government are sometimes fond of posing as the champions of primary education as against higher education, and they thus seek to create a conflict of interests where in reality none ought to exist. Our late Governor, Lord Harris, for instance, told an audience in England some time ago that because during his tenure of office he specially attempted to further the interests of the masses in the matter of primary education and other things, therefore the educated classes became disaffected towards him. Gentlemen, it took my breath away to read this explanation. I rubbed my eyes when I read it and asked myself—Can it be that I am reading aright? Surely Lord Harris must have felt himself reduced to very sore straits before he could have possibly thought of such a defence, for, gentlemen, you here need not be told that it is a defence which I will not call disingenuous, but which I will describe as absolutely inconsistent with that accuracy of statement which we have a right to expect from one who has occupied the exalted position of Her Majesty's representative in this country. Any one who takes a brief survey of the administration of Lord Harris must at once see that His Lordship's great unpopularity with the people of this Presidency was chiefly due to the generally unsympathetic character of his rule, and the utter contempt for public opinion which he displayed, notably in dealing with four important questions—the Mhowra Bill, the distribution of seats in the Bombay Legislative Council, the Provincial Service Rules, and the Hindu-Mahomedan disturbances. Now, in none of these questions was there the shadow of a conflict of interests between the classes and the masses. The Mhowra Bill imposed a grievous hardship on the poorest part of the people of Thana and Kolaba. The distribution of seats in the Legislative Council occasioned widespread dissatisfaction because of the fact that His Lordship's

scheme favoured small minorities to the disadvantage of the general community. The Provincial Service Rules were protested against, because of the blow they are sure to deal to the purity and efficiency of administration. And in the Hindu-Mahomedan riots it was the masses and not the classes that suffered most, and consequently complained most. It may also be mentioned that in regard to the first three questions, the Anglo-Indian Press of this city supported the public as against the Government at the time of the controversies. I really cannot understand how the idea could ever have entered Lord Harris's head that he became unpopular with the educated classes because of the encouragement he gave to primary education. Gentlemen, is it possible, is it conceivable, that Englishmen can be more enthusiastic, more keen on this subject of the spread of primary education than ourselves? To them, at best, it can only mean the discharge of a greater present duty. But to us it means something vastly greater than that. To us it means the future salvation of our country. Who can realise more keenly than ourselves that the fate of our country is bound up with the spread of education among the masses! It is only when, under the plea of encouraging primary education, the paltry expenditure on higher and secondary education is sought to be curtailed that the occasion for protest arises. No one objects to your paying Paul, in fact, the more the better. It is only when you propose to rob Peter for the purpose that your general good intentions naturally come to be questioned. This aspect of the question was, however, dealt with at considerable length by our worthy President three years ago in his own inimitable manner, and I need not say anything more about it on the present occasion.

I have so far described to you the more salient features of the educational situation of India. I have preferred to invite your attention to the whole country, instead of limiting it to our own Presidency, firstly, because, in the matter of education, what is true of the whole country is true also of this Presidency, and, secondly, because, though under the Decentralisation scheme, education is one of those departments that are under the exclusive control of the Local Government, as a matter of fact, for any notable change of policy or a substantial addition to the educational budget the inspiration or pressure, call it what you will, must come from the Supreme Government. Happily for us, the destinies of our Presidency are at present presided over by a nobleman, whose utterances on educational matters have so far been characterised by the deepest sympathy with the people—have had the true Ripon ring about them. May we not respectfully appeal to him to make it the glory of his *regime* to do for education what no one among his predecessors ever attempted to do, and extend its operations far beyond its present limits! Here is a field for the highest kind of statesmanship—for the noblest triumphs of the art of government. Our percentages

are undoubtedly slightly better than those for the whole country. Still the work that has already been achieved is as nothing compared with the gigantic task that yet remains unattempted. Out of the children of school-going age in this Presidency, fully 81 per cent. are growing up in absolute darkness and ignorance. Out of about 25,000 villages in the Province, three-fourths or about 18,000 are as yet without a school. These are appalling figures, and they may well disturb the peace of mind of a conscientious ruler. The finances of the country are now looking up once again, and Provincial Governments may expect to be allowed greater freedom of action. I think we may well address to H. E. Lord Sandhurst the same appeal that the late Mr. Telang addressed to Lord Ripon thirteen years ago. "I hope," wrote Mr. Telang, "that the Government of Lord Ripon, which has already done so much for the country, will add the educational system to its many laurels, and achieve, directly or indirectly, the credit which Mr. M. Arnold gives to the Government of France on the Restoration after the battle of Waterloo." "To the Restoration," he says, "is due the credit of having first perceived that in order to carry on the war with ignorance, the sinews of war were necessary. Other Governments had decreed systems of education for the people—the Government of the Restoration decreed funds. The question of popular education is now mainly a question of funds. What is wanted, and what we must now trust to, is not the short-sighted economies in the expenditure on higher education which have been suggested by some irresponsible reformers of our system, almost without exception, *not* natives of the country, but what is wanted is an effort on the part of the British Indian Governments to follow, at however great a distance, the Imperial Government, which has in ten years increased its grant to education from £1,940,000 to £4,290,000 sterling, and a like effort on the part of the leaders of the people to help the Government in spreading the benefits of education far and wide in this great country." Thirteen years have rolled by since this eloquent appeal was made. During this time the Imperial Government has increased its grant to education by over 5 millions sterling more, while the Indian Governments, whom Mr. Telang so earnestly implored to follow the Imperial Government in the matter, have, all put together, added not quite 20 lakhs of rupees. Of course, we must all recognise that the difficulties in the path of a Local Government attempting any large extension of education are many and serious. But with a determined purpose to overcome them, they will not, I trust, be found to be insuperable. At any rate, the magnitude of the task calls for a great, a supreme effort, and when that is made, the reward is bound to be great and the glory imperishable.

Gentlemen, the observations which I have so far ventured to make refer to what may be called the quantitative side of the

question. But there is another aspect of it, which is scarcely less important—I mean the qualitative aspect. We see how very little of education we really have in the country; but is the article that we get at any rate of the right sort? The question has latterly received a good deal of attention, and the literature on the subject includes the very notable contributions of Dr. Bhandarkar and Mr. Justice Ranade, and another recent contribution, much more elaborate and certainly not less important, by my friend, Mr. Gole, the Principal of my College. I think, gentlemen, there are grave defects in our present educational system, and so long as these defects are not remedied, the results of the system are bound to be of an unsatisfactory and even disappointing character. The principal defect that must strike every one who is conversant with the system, and who devotes any thought to the subject, is the fearful amount of cram that prevails on all sides of us—from the first Vernacular standard to the highest degree examination. And I have no hesitation in saying—I think that, if anything, I am under the mark in making the statement—that more than 90 per cent. of our students pass through the whole of their educational course, placing their main reliance on cramming. In primary schools, in secondary schools, in colleges, it is with them one continuous, ceaseless act of cramming. Slightly altering a familiar quotation, I may say that it is all

Cram, cram, cram, till the eyes grow dim,

Cram, cram, cram, till the head begins to swim.

What wonder if, as soon as they finish their educational course, so many of them are seized with an insurmountable—a fatal aversion to studies of every kind! Gentlemen, the evil that I speak of is a great, a real evil, and, what is worse, it is steadily on the increase. From the first Vernacular standard to any degree examination—say, the examination for the degree of B.A.—the course extends over a period of 15 years, the primary school course takes four years; the High School course is of seven years, and the College course extends over four years more. An average student may take about 18 years to finish the whole of this course—he may fail once or twice in the school, once or twice in the college. Now, if you ask a young man to carry on his head a big load—and cramming is little else—for a period of 18 years continuously, to carry it about with him constantly, wherever he goes, uphill and down dale, is it strange that his growth should be stunted and he bend before his time—become an intellectual and moral dwarf? Look at our primary course. Think of its dull, mechanical monotony—the same text-books, the same standards, the same methods of teaching—teachers and pupils, in the graphic words of Mr. Justice Ranade, moving round and round in the same groove—for ever so many

years, without expansion, without adaptability, without life. Think of this and then think of the ceaseless effort, for ever going on in the West, to make instruction as interesting to the child as possible—the variety of their reading books, their numerous historical and geographical readers, beautifully illustrated, their constant endeavour to improve and perfect methods of teaching. In this connection, I may remark that I was surprised to read the other day that our Director of Public Instruction was of opinion that no revision of the text-books in use in primary schools was needed. Gentlemen, we all of us have the most unfeigned respect for Mr. Chatfield for his many qualities of head and heart, and great weight must naturally attach to his opinions on educational matters. But when he sets his face against the proposal to revise these text-books on the ground that they are likely to be considerably Sanskritised in the process, he appears to me to illustrate how any kind of change becomes unwelcome even to a person possessing a singularly clear intellect owing to a long course of familiarity with certain fixed ideas. But, gentlemen, speaking of the mechanical, inelastic character of our primary education, I must say that, though the Education Department is primarily responsible for these defects, we ourselves are in great measure also to blame in the matter. How many parents of the children attending primary schools ever trouble themselves with any questions about the character of the education which these children receive! Most of them undoubtedly think that their duty is done when they have paid the fees for their children's instruction and supplied them with books and writing materials. Again, what are our Municipalities doing in the matter? They enjoy considerable freedom of action in such respects if only they knew how to use it. What is true of primary schools is also for the most part true of secondary schools. Here, too, we have the same mechanical methods of teaching, the same listless work on the part of boys, the same want of a living, expansive factor to suit the studies to the taste of students and make them an object of interest and delight and not a necessary burden. The boys attend school for five or six hours and devote about as many hours to what is known as home preparation, which is only another expression for cramming. How very different from what they do in the great public schools of England, where, among other things, a love of outdoor games is developed, which endures through life, and where the foundation is laid of a manly, vigorous type of character! One would expect that things might at any rate improve when a student has completed his High School course and begins his University studies. But ever here, the system of examinations, as it is with us, stands in his way, and for the most part prevents him from straying beyond the text-books appointed. Gentlemen, it must be said that our system of examinations is of a radically vicious character, and is

responsible for a great part of the disappointing character of the work of our University. That talented and cultured lady—the ornament of two Universities—Miss Cornelia Sorabji, delivered the other day a most delightful address to the students of my College on College life at Oxford and in India. In the course of her remarks, she said that at Oxford examiners prefer a grain of original thought to a sack of cram. I do not know what is there to prevent our examiners from adopting a similar standard. Certainly one cannot conceive anything more harmful to all real studies than our present system, with its marking of each question and its fanciful percentages, especially when the system is worked, as at present, in so mechanical, I had almost said so unintelligent manner. Of course, the responsibility for the character of our higher studies does not rest solely with our University as an examining body. The Colleges also have to share this responsibility with it to a large extent. But what I mean is that the character of the examinations of the University influences very materially the character of the studies of the young men, who seek success in those examinations. And as though the evil was not already great, publishers are coming forward in numbers to aggravate it. They find obliging authors—I don't know if the authors oblige the publishers, or the publishers oblige the authors, but certain it is that between them they manage to make the situation, already intolerable enough in all conscience, still more intolerable. For instance, I may mention that within the last four or five years some books have been published containing sample essays for Matriculation boys. Now, I have not the remotest desire to speak in any disparaging terms of the authors of these books. They certainly must have meant well when they wrote them. But what has been the result? You may now propose for composition any subject you please to the boys in the higher standards of a High School, and you find that these sample essays are freely borrowed from in one form or another. How can it be otherwise, when these so-called sample essays are in reality essays on every conceivable subject under the sun, and when they are so readily available to the boys? The late Mr. Telang once told me that in the earlier days of the University, when a student seeking the M. A. degree in languages had to pass in English versification, the candidates used to resort to similar methods. It is not every one, gentlemen, who can scale the height of Parnassus, especially when one is called upon to climb them to order. What the candidates therefore did was to store their memory with a number of lines—generally borrowed from a number of places, occasionally of their own composing—on a number of typical subjects during the year—subjects like the beauties of Nature, or love or knowledge or storm, either in Nature or in the human mind, and such others, so that no matter what the subject proposed at the time of

the examination might be, by a clever process of dove-tailing they generally managed to make a decent figure. If a subject like commerce, for instance, was proposed, the ships of the candidates would never sail without a storm, and after that would come a description of the beauty of the sea after the storm had spent itself, and so on and so on. The essays that so many of our students write are, I am sorry to say, little better than these exercises in versification. Then, again, look at the annotated editions of authors which are now-a-days being issued. The editors tell us that the annotations are exhaustive. To me they appear to be not exhaustive, but perfectly outrageous. When every single word is explained, every reference given, and even every single line paraphrased, I don't know what is left to the majority of students to do but to cram. All that discipline, which the mind derives from an effort to construe passages for itself, is entirely lost to them, which means that by far the better part of the culture which a study of literature gives is to them not available. And the evil is intensified by the examiners confining themselves generally to these annotations?

Gentlemen, in my humble opinion the system of University examinations urgently calls for a reform. As it is worked at present, it is, in the case of the vast majority of students, not a test of their powers of assimilation and thought and their love of knowledge, but a test of their powers of cramming, an apparatus of torture of more or less refined cruelty. In this connection I may say, what perhaps it is superfluous for me to say, that the two propositions recently brought forward by Mr. Justice Ranade have my most hearty concurrence. A fear has been expressed, that if the propositions are adopted by the Senate, the standard of University studies will be practically lowered. I think it is a great mistake to think so. Certainly the amount of cramming will be reduced, but that is not the same thing as a lowering of the standard of studies. Gentlemen, the object of all studies must be twofold—the knowledge which you gain, which you can never call your own till it has been properly assimilated, and the culture that you derive from such assimilation. Now, in the case of most of our students there is no real effort at assimilation, and consequently not much culture in reality. The results of their so-called studies are, for the most part, a load which their memory has to carry till the time of their examination, and which they therefore naturally throw away as soon as the purpose of the examination is served. Now, if by any means this load is diminished—and Mr. Ranade's propositions are calculated to bring about such a result—it ought to be a matter for satisfaction and not one for regret. For a smaller amount of cram means greater leisure to acquire and assimilate real knowledge, better scope for the healthy development of intellectual powers. Again it is said

that under Mr. Ranade's scheme a student will pass an examination in two or three instalments. Now, assuming that this were to be so, I ask, where is the harm in that? In my opinion a student who confines himself to a few subjects each year and reaches a depth in those subjects and thus passess his examination in two or even three instalments is much better educated than one who just manages to touch the surface of all the subjects in a single year.

I remember that some time ago a movement was set on foot for effecting a reform in our system of examinations, and that it was headed by our worthy President. I do not know what has become of that movement. The great difficulty in the matter is, of course, the uttrely unsympathetic character of the University Senate. A large number of the members of that body can never see eye to eye with you in such matters, simply because they have no actual connection with the work of education, nor are their children being educated here, so that they have no opportunities for observation and are beyond the baneful effects of the present system. I think, gentlemen, that membership of the Senate should, as a rule, be confined to those who are directly connected with the work of education and to the *alumni* of the University. Of course, outsiders like Sir Raymond West or our present Vice-Chancellor ought to be welcomed to its ranks, but such a departure should be made only in the case of men of acknowledged learning and scholarship. As regards the large number of English lawyers and high civil and military officers of Government, who at present find a seat in the Senate almost as a matter of right, but who have no acquaintance with our system of education or the character of our studies, and who have no time to think of such matters—men who confine themselves generally to the work of voting at elections or attending a stray meeting of the Senate to vote more or less in accordance with racial prejudices—I say such men have no business to be in the Senate. Whatever necessity might have existed at one time for their appointment, the University has now clearly outgrown that necessity, and to me their position at present in the Senate appears to be wholly anomalous.

Gentlemen, one of the most serious problems which our educated men must face is that of the intellectual decadence which has been going on among us for some time past and which is now plainly discernible on all sides. I know there are those who do not admit the fact of this decadence. A distinguished educationist of this city, Dr. Mackiehan, told us about five years ago that he was no believer in this theory about decadence. We might, however, set against his authority the authority of another Englishman, than whom there is no more watchful or sympathetic observer of our progress—Mr. Selby of the Deccan College. Mr. Selby is of opinion that this decadence is a fact,

and almost every year he notices a steady deterioration in the calibre of his students. Dr. Mackichan says that if the comparison is fairly made—the best of the present day compared with the best of the earlier days of the University—he is not afraid of the comparison. As a matter of fact, however, how grievous is the decadence, as shown by such a comparison! Where are the men in our ranks who might be compared with those intellectual giants of the earlier days—the late Krishna Shastri Chiplunkar and the late Mr. Chhatre—men whose love of knowledge was such that they indulged it till their very latest breath! Who among us possesses the numerous intellectual gifts of Mr. Dadabhai Naoroji! Where are the men who are likely to remain, like the late Mr. Parmanand and the late Mr. Mandlik, students in the best sense of the term all their lives! Where are the Ranades and the Bhandarkars in our ranks, the Telangs and the Mehtas, the Pandits and the Athalyses! Who among us possesses the restless intellectual activity of the late Mr. Kunte? Who has that passion for the study of intricate financial subjects which my friend Mr. Wacha or the Hon. Mr. Javerilal has? Where will you find amongst us so finished a scholar and so earnest minded a student as that quietest and most modest of individuals—Mr. Joshi, Head Master of Sholapur High School! No, Sir, the decadence is beyond all doubt real, and, moreover, it is steady. Whatever the diagnosis of the disease, the fact of the disease cannot be and must not be denied.

Such a decadence cannot, of course, be the result of a single cause. I think, however, that no cause can have contributed so much to bring about this result as the system of cramming, which has grown so fearfully in recent years, and which threatens to grow still further, unless effective remedies are applied in time. The Sage of Chelsea—one loves to call him by that name in spite of the recent protest of Mr. John Morley—once described cramming as utterly unworthy of an honourable mind. Let our students realise this adequately. I know it is the system that is responsible more than they. But even they can do a great deal to mend matters, when they clearly perceive what an unworthy, unmanly thing it is to cram. Gentlemen, we must all lay the axe at the root of this cramming. It is a noxious tree. Under its shade no healthy life can thrive. Away with it!

Gentlemen, if ever the element of cramming is banished from our system of education, as far as it is possible to banish it, if our primary course becomes more varied, less mechanical, more interesting to the children, if public schools, with their manly influences and their healthy discipline, grow up and take the place of many of our day-schools, if colleges and the University will realise their responsibilities and understand their functions better, all the graver defects of our educational

system will disappear, and then will our education answer the highest expectations that may be formed of it. Then will the general level of our intelligence be raised and men become better citizens. Then will the culture of literature, the depth of philosophy, the widened horizon of history, the love of knowledge which science brings, be all available to us. Then will the present intellectual stunting be arrested. Then will our young men leave the University, as they ought to do, burning with a zeal for everything that is great and noble and honourable, with the fire of earnestness that purifies whatever it touches. Then will they think high thoughts and dream noble dreams. Then will they cherish great ideals—ideals worthy of their manhood and their education—ideals for which they will live, ideals for which they will die.

Gentlemen, intimately connected with this question of our educational system is the question of our Vernaculars. We all know by this time what is said on either side of the controversy in connection with them, and I have no wish to repeat arguments which have been repeated ten times before. I may, however, tell you that personally I have not got much faith in the setting of a paper in Vernacular translation and composition at the several examinations, though I am prepared to support the proposal merely by way of asserting a principle. A better plan, I think, will be to allow candidates for the B.A. degree in Languages to take up the Vernaculars as optional with the classical languages. But the best solution of the whole question is, in my opinion, the creation of a separate Vernacular University conferring degrees—of course, for a long time to come, inferior to the degrees of our present University. English and Sanskrit should be compulsory second languages in the curriculum of such a University. In this way, I think, will all conflict of interests, which stands at present in the way of a due recognition of the Vernaculars by our University, be avoided, and the Vernaculars receive all the incentive for their development that they need. Our middle-class men are sure to take advantage of such a University in large numbers. I think if the Native States on this side of India combine for the purpose, the task, cannot be too great for them. May we not respectfully look up to H. H. the Maharajah Gaekwar of Baroda to take the lead in this matter! His Highness is already doing so much for the education of his subjects and his interest in the development of the vernaculars is so well and so widely known. The creation of a Vernacular University will be a lasting monument of the enlightenment and the beneficence of his rule.

Gentlemen, I fear I have already presumed too much on your indulgence, but there is just one point more on which I will say a word and I will conclude. I think we have a right to call upon Government to do much more than they are doing at present in fulfilment of a sacred obligation. But we must at the same time

remember that single-handed, the Government will never be able to accomplish much. The magnitude of the task requires that private charity and private enterprise ought to come forward in a very marked manner to co-operate with Government in the field. All of us, great or small, rich or poor, can do something in the matter. Our Municipalities can institute scholarships to enable young men to proceed to Europe or America to prosecute their studies there. Our wealthiest men might imitate the glorious example of Sir Dinsha Petit and Mr. Tata, Mr. Govardhandas Khatao Makanji and Mr. Jakeria. Other men might lend their support according to their own measure. Leaders like our worthy President can give the cause the invaluable benefit of their guidance. Humbler men might contribute their share by working in the field. Each one of us can do something and spare something for this great cause. I think, in the present circumstances of our country, no subject can call forth such universal, such whole-hearted enthusiasm as public education. If anything will ever restore us to our lost glory, it will be this. In the eloquent words of a recent writer, "knowledge is Heaven's light to our steps, and a nation that shuts it out, seals its own doom and cannot stand." Gentlemen, in our present fall we are paying the penalty of our past sins. For these sins many of our best lives must be sacrificed on the altar of education by way of atonement. At this altar the nation must kneel for years, many and long, before it can rise purified and regenerated, ennobled and strengthened, and proceed to take its place among the nations of the world.

APPENDIX—F.

NOTE ON DECENTRALIZATION.

The following is the Statement submitted to the Royal Commission on Decentralization by the Hon'ble Mr. Gokhale.

PROVINCIAL DECENTRALIZATION.

I am strongly opposed to the present system of excessive centralization of authority in the hands of the Government of India in its relations with the Provincial Governments, but I should be even more strongly opposed to any scheme of decentralization which, while it freed the Provincial Governments from a large part of the control exercised at present by the Supreme Government, substituted nothing in place of the control so removed. To my mind the main evil of the existing situation is not so much the *extent* of the control to which Local Governments have to submit as its purely *official* character and the distance from which it is exercised. But even mere official control, imperfectly exercised from a long distance, is better than no control and I certainly have no wish to see "petty despotisms," pure and simple, set up in place of the present Provincial Governments. It is true that the higher officials of both the Government of India and the Provincial Governments, who carry on the ordinary administration of the country, are drawn from the same Service and may, therefore, be assumed, other things being equal, to be equally competent to deal with finality with matters coming before them. But other things are *not* equal. The Provincial officials have indeed on their side the advantage of a more intimate knowledge of local conditions and local needs; but as against this the officials of the Government of India may claim a much greater freedom from local prejudices and local prepossessions and a wider outlook, and these are qualities which are of great importance in a country governed as India at present is. The history of the extension of Local Self-Government in this Presidency during Lord Ripon's time and the important modifications that have recently been made in the Famine and Land Revenue policy of the Bombay Government under pressure from above may be cited as fair illustrations of what I say. It may be urged that if the seat of final authority is in the Province itself, Provincial public opinion has a better chance of influencing the course of administration. But, even here, there is the balancing consideration that the tendency to resent criticism, which goes

with all absolute power, is bound often to import on the official side an amount of *feeling* which cannot fail to neutralise the strength and usefulness of public opinion. If it were, therefore, merely a question of shifting the seat of final authority from Calcutta or Simla to Bombay and nothing else, I would prefer existing arrangements to any such decentralization.

But it is my hope that the scope of the question before the Commission is a much wider one than this, and it is in this hope that I come forward to advocate a large measure of decentralization. I think a stage has now been reached in this country when, in the true interests of the people as well as to arrest the growing unpopularity of the administration, it is necessary to give the representatives of tax-payers some real voice in the conduct of Provincial affairs. And any arrangements made for this purpose should not only be suited to present requirements but should also be capable of a steady expansion so as to meet satisfactorily the growing demands of the future. Now, the existing system is hopelessly ill-adapted to serve this end. The number of Provincial representatives who can have access to the Government of India—at present the final seat of authority in regard to most Provincial matters—must necessarily be most limited. Moreover, their opportunities to bring up Provincial questions before that Government, with any degree of usefulness, cannot but be exceedingly few. It follows, therefore, that the seat of final authority in Provincial matters must be brought down to Provincial head-quarters, if popular representatives are to be placed in a position where they may exercise a real and growing influence over the course of Provincial administration. The Secretary of State for India is contemplating at present a reform of Provincial Legislative Councils. There is, however, small scope for a real reform in this direction, unless it is accompanied by a substantial measure of decentralization relieving Provincial Governments of a large part of the control, financial and administrative, at present exercised over them by the Government of India.

To any such decentralization, however, I would attach three conditions. First, the form of Government in all important Provinces should be a Governor, appointed from England, with an Executive Council. I believe in a fresh mind, trained in the free atmosphere of English public life, being applied to the problems of Indian administration from time to time. I also think that the higher responsibilities of Government in this country can be better discharged by a Council of three or four persons than by single individuals. Secondly, Provincial budgets should be submitted for full discussion to Provincial Legislative Councils, which, I trust, will shortly be enlarged and made more representative,—members being empowered to move amendments and the budgets being required to be passed by the Councils. And thirdly, whenever a certain proportion of the elected members of a Legislative

Council, say one-third, send a requisition to the President of the Council asking that a specific matter concerning the Provincial administration should be brought up for discussion before a meeting of the Council, the Council should be summoned to discuss the matter. The second and third conditions aim at providing, as a substitute for a portion of the present control of the Government of India in financial and administrative matters, some sort of control on behalf of the tax-payers in the Province itself, in the shape of a free discussion in the Legislative Council.

Subject to these conditions, I would urge the following scheme of decentralization :—

First, as regards Finance :—I think there should be no divided heads of either revenue or expenditure, but certain heads of revenue with the expenditure under them should be wholly Imperial and the others wholly Provincial. I would thus assign to Provincial Governments independent sources of revenue in place of the grants which they are at present understood to receive from the Government of India. The three major heads of revenue that I would make over to the Provincial Governments are Land Revenue, Excise and Forests. These are intimately connected with the daily life of the mass of the people and they may appropriately be placed under the exclusive control of Provincial Governments. On the other hand, the revenue and expenditure under Opium, Salt, Customs, Assessed Taxes, Stamps, Registration and Tributes from Native States, together with Post, Telegraph, Mint, Railways and Major Irrigation Works, may be treated as wholly Imperial. On this basis of division, the revenues of all the Provincial Governments will be found to exceed their present scale of expenditure, while the reverse will be the case with the Government of India. To make up this deficit of the Supreme Government, the Provincial Governments should make to it fixed annual contributions, which should be determined after a careful consideration of the average liability of each Province to famine as also of the need of making increased grants to Local Bodies out of Provincial resources. These contributions, moreover, should be liable to be revised every five or ten years, the revision taking place at a Conference of the Revenue Members of the different Provinces, presided over by the Finance Member of the Government of India. To meet sudden and extraordinary emergencies, the Viceroy should have the power of altering the amounts of these contributions as he may deem necessary, any Local Government feeling aggrieved by such alteration having the right of appeal to the Secretary of State.

For the present, I would confer no powers of taxation on the Provincial Governments, but the question may be reconsidered after sufficient experience has been gained of the working of the new arrangements. Of the three heads of revenue proposed to be made over to Local Governments, the periodical revisions of land

revenue, which are really in the nature of enhanced taxation, by whatever name they may be actually called, require to be subjected to a special control, as the Provincial Governments will have an obviously greater interest than hitherto in the increases of revenue resulting from them. I would, therefore, propose that all revisions of settlements should be laid for discussion before the local Legislative Councils, before they are sanctioned by the Provincial Governments.

As regards borrowing powers, these too I am inclined to keep in the hands of the Government of India, at any rate, for the present. I fear that if the Provincial Governments are empowered to borrow separately, it will be impossible to prevent competition among them or between them and the Government of India, and this will necessarily lead to higher rates of interest than at present, involving a loss to the general tax-payer. I would, however, have a rule, whereby Local Governments should be entitled to claim, where necessary, a share in the total loan annually raised by the Government of India in proportion to their revenues. During times of famine, Local Governments, who have exhausted their famine reserve and who find it necessary to borrow, should have the first claim on the borrowing powers of the Government of India.

With reference to expenditure, I am against relaxing the present control of the Government of India in the matter of the creation of new appointments, as also about the scales of pay and pension. Barring this, I would give Local Governments full power to expend their revenues as they deem best.

Administrative Matters:—So much about financial decentralization. Coming now to matters of Administration, the first line of division that suggests itself is that the control of Military and Naval defence, Foreign affairs, Currency, Customs, Post, Telegraphs, Railways, general Taxation, general Legislation and the like should always be directly in the hands of the Government of India, and that the rest of the internal administration of the country should be entrusted to the Provincial Governments. In the exercise of the functions so delegated to Local Governments, there should be no interference in matters of detail on the part of the Government of India. It is, however, necessary that large questions of policy, even in regard to the internal administration of the country, should be reserved by the Government of India in its hands, so as to ensure a general, but not rigid, uniformity of administration in the different Provinces, as also to initiate reforms, which, if left merely to Local Governments, may not be taken in hand. For instance, the Government of India should have the power to prevent wide divergences of policy in different Provinces in dealing with famine or plague or to compel the carrying out of such important reforms as the free and compulsory spread of primary education, the separation of judicial from executive functions and so forth. Subject to such general

control over questions of policy, the Local Governments should have a free hand in matters of Provincial administration.

DISTRICT DECENTRALIZATION.

I now come to the question of District Administration. Here too the need of decentralization is manifest, but it must be decentralization accompanied by measures for a larger association of popular representatives with the work of the administration. There is no doubt that, with the multiplication of Central Departments and a steady increase in the control exercised by the Secretariat of the Provincial Government, the position of the Collector, as the head of a district, has considerably deteriorated. There is also no doubt that the people require more prompt government, and more of it, so to say, on the spot. But this object will not be secured by a mere delegation of larger powers to the Collector. The time is gone by when the Collector could hope to exercise—and with beneficial results—a kind of paternal authority over his district. The spread of education, the influence of new ideas, the steadily growing power of the vernacular press make a return to the benevolent autocracy of the Collector of old times impossible. The only remedy lies in carrying a substantial measure of decentralization down to the villages and in building up local self-government from there. It will not do to be deterred by the difficulties of the task or by the possibilities of initial failure. Village Panchayats must be created. Local and Municipal Boards must be made really popular bodies and larger resources than they can command at present made available to them. Last, but not least, District Councils must be formed, whom the Collectors should be bound to consult in all important matters and with whose assistance they may be empowered to deal, with ever-increasing finality, with questions of District Administration on the spot.

Village Panchayats:—I first take the Village Panchayats. There are about 26,000 villages in the British Districts of this Presidency, of which about 16,000 have a population below 500, about 5,000 more have a population between 500 and 1,000 and the remaining above 1,000. I think in all villages with a population of 500 and over, a Panchayat should be constituted by statute, to consist of five or seven members, and that the villages below 500 should either be joined to larger adjoining villages or grouped into Unions. The *personnel* of these Panchayats should roughly be composed of the village headman, the Police Patel of the village where he exists separately, the village Munsiff and the village Conciliator, who will now be appointed in all villages as the provisions of the Deccan Agriculturists' Relief Act, requiring their appointment, have been extended to the whole Presidency, and two or three other persons chosen by such of the villagers as pay a minimum land revenue of, say, rupees ten. These Panchayats should be invested with the following powers and functions:—

(a) The disposal of simple money claims not exceeding rupees fifty in value. In regard to such claims the decision of the Panchayats should be final, unless gross partiality or fraud is alleged. It may be noted that of the total number of suits annually instituted in this Presidency—about $1\frac{1}{2}$ lakhs—fully or one-half or 75 thousand are claims not exceeding Rs. 50 in value. The Panchayats may be expected to administer on the spot a kind of simple justice suited to the villagers and this will be far preferable to the expense, the delays and the demoralization of the law courts. Such jurisdiction in civil matters was exercised by the Panchayats not only under the Maratha Government but even in the early days of British rule in this Presidency. The Panchayats may charge one anna in the rupee on the value of the claims as costs in the suits, the parties being exempted from stamp duty and other fees.

(b) Trial of trivial offences, such as petty thefts, where the value of the property stolen does not exceed Rs. 10, simple assault, simple hurt, abuse, nuisance, &c.

(c) Execution and supervision of village works.

(d) Management of village forests.

(e) Distribution of sanctioned allotments of Tagai in the village.

(f) Carrying out measures of famine and plague relief.

(g) Control of village water-supply and sanitation.

(h) Supervision of school attendance.

(i) Management of cattle-pounds.

The funds of the Panchayats should consist of assignments made by the Taluka Board, costs of civil litigation realised, fines and penalties levied locally, realizations from village forests and cattle-pound receipts. As in the case of Co-operative Credit Societies, it may be necessary for the Government to appoint a special officer to start and guide for a time these Panchayats and watch over their working.

Taluka Boards:—The next rung of the ladder of Local Self-Government after Village Panchayats is Taluka Local Boards. Here the frame-work already exists, but the existing bodies are more or less under official domination and their resources are so meagre that it is not fair to expect the members to feel really interested in their work. The first reform that I would urge in this connection is that Taluka Local Boards should now be made wholly elected bodies. The Mamlatdar should be empowered to attend meetings, when necessary, and the Government should retain in its hands the power of enforcing action, if its advice and warning are disregarded, by suspending a Board temporarily and appointing in its place a small body of nominated members. Only thus will a proper sense of responsibility be developed in these Boards; and any inconvenience that may temporarily arise will, in the end, be more than made up for by the increased efficiency of real Local Self-Government. But a reform of the

constitution of the Taluka Boards will be of small value, unless steps are taken at the same time to place increased resources at their disposal. The revenue of these Boards in this Presidency consists at present mainly of such assignments as the District Local Board makes to them out of the proceeds of the one-anna cess or from contributions received from Provincial resources. In Madras, Taluka Boards retain for themselves half the proceeds of the one-anna cess and only the other half goes to the District Local Boards. With us, the District Boards control the entire distribution of the cess-proceeds and after deducting the educational share as also grants to Medical and Veterinary, they retain for themselves such sums as they think to be necessary and divide the rest among the different Taluka Boards. The result is that the Taluka Boards generally receive much less than one-half the money available for distribution. Thus in the three divisions of the Presidency proper, we find that in the year 1905-06 the amounts retained by the District Boards for themselves out of cess-proceeds, exclusive of grants for educational, medical and veterinary purposes, and those assigned by them to the Taluka Boards were as follows :—

| | |
|-------------------|---|
| Northern Division | { District Boards 3.23 lakhs. Taluka Boards 2.23 lakhs. |
| Central Division | { District Boards 3.64 lakhs. Taluka Boards 1.08 lakhs. |
| Southern Division | { District Boards 2.38 lakhs. Taluka Boards 37 thousand. |

Again for the year 1904-05, these figures were :—

| | |
|-------------------|---|
| Northern Division | { District Boards 2.23 lakhs. Taluka Boards 83 thousand. |
| Central Division | { District Boards 3.53 lakhs. Taluka Boards 1.32 lakhs. |
| Southern Division | { District Boards 2.72 lakhs. Taluka Boards 99 thousand. |

Now my proposal is that the entire proceeds of the one-anna cess, after deducting the educational share and the medical and veterinary grants, should be placed at the disposal of the Taluka Local Boards and that the District Boards should receive either a share of the Excise revenue or a special contribution from the Provincial exchequer to cover their loss. At present the Taluka Board and the District Board are what may be called the smaller and the larger unit of local self-government in the districts. Instead of these, if the village Panchayat and the Taluka Board were made the smaller and the larger unit, respectively, that would be more in accord with the limited extent of the resources available, and local self-government would yield far more satisfactory

results. The areas of Indian districts are, moreover, so large that the sense of unity of local interests, which is very strong in villages and is fairly strong in talukas, and without which successful local self-government is not possible, becomes much too diluted when we reach the district. The average area of a district in the Presidency proper is about four thousand square miles, and of a taluka over four hundred square miles. Those who serve on Taluka Boards may well be expected to be fairly familiar with the condition and requirements of the different parts of the taluka, but such personal acquaintance cannot reasonably be expected from the members of a District Board with the whole of their district. The latter, therefore, must largely rely on the advice of officers, either of their own or of the Government, and though they have enough local knowledge and enough sense of local unity to be able to exercise a satisfactory general control over the administration of their affairs, they are not qualified to administer those affairs personally to the same extent to which members of the Taluka Boards are qualified. If large local revenues were available for distribution, I should not mind District Boards getting a share and even a substantial share of them. But the resources available being most scanty,—not sufficient even for the local needs of the talukas as distinct from those of the district,—I think the best plan would be to place them wholly at the disposal of Taluka Boards, thereby giving a real chance to local self-government to attain a fair standard of efficiency. The Taluka Boards should be bound to make small assignments to Village Panchayats in their areas.

As regards the powers of Taluka Boards, I think the provisions of the present Act are sufficiently comprehensive. I would, however, do away with the power, which the District Boards possess and which they constantly exercise, of altering the budgets of Taluka Boards. I would allow the latter to frame their own budgets within the limits of their resources without any outside interference. I would also empower them to combine with one another for incurring joint expenditure or entertaining joint establishment without the sanction of a higher authority.

Municipalities:—What I have said above about the constitution of the Taluka Boards applies equally to Municipalities in District and Taluka towns. I think these bodies should now consist wholly of elected members, the Government retaining in its hands the power to enforce action, if its advice and warning are disregarded, by a temporary suspension of these Boards and the appointment in their place of small bodies of nominated members. Unless an undivided responsibility is thus thrown on these Municipalities, risking even initial failure for its sake, these institutions will neither become efficient instruments of local administration nor will they fulfil the higher purpose of serving as seminaries for the education of the people in the art

of self-government. Like the Taluka Boards our Municipalities also suffer from the meagreness of their resources; but except in regard to education and large projects of sanitation and water-supply, it is only fair that they should rely upon themselves. Large projects are, of course, so utterly beyond the capacity of these bodies that their execution is impossible unless substantial grants-in-aid towards capital outlay are made from Provincial revenues. Also for meeting adequately the growing educational needs of their areas larger assistance from Government is indispensable. As regards powers, the present Act is on the whole sufficient, though here and there small relaxations of present restrictions may be necessary.

District Boards.—The case of the District Board is slightly different from that of the Taluka Boards and Municipalities. The area of its jurisdiction is large and I think it is an advantage to have the Collector as President, unless non-official gentlemen of position, prepared to undertake regular touring throughout the district, are available for the office. The presence of the Executive Engineer, the Civil Surgeon and the Educational Inspector is also desirable on this Board. I would, therefore, have about one-fourth of its members nominated by the Government, the remaining three-fourths being elected. Each Taluka Board and Municipality in the district should elect one member, the Municipality of the district town having the right to return two. I would also create a special constituency for the whole district with a fairly high franchise to elect five or six members, the electors being graduates of a certain standing, say five years, Government pensioners receiving a pension of Rs. 75 a month or above, landholders paying an assessment of Rs. 200 or above, and traders, merchants and others paying income-tax on at least Rs. 2,000 a year. Thus, taking Poona, I would have on the District Board 36 members—9 nominated, and the remaining 27 elected as follows:—8 by the 8 Taluka Boards, 2 by the Poona City Municipality, 11 by the other Municipalities, one each, and 6 by the special constituency outlined above. A Board so constituted may be expected to do useful work if steps are taken to place sufficient resources at its disposal. I have already suggested above that the entire proceeds of the one-anna cess, after deducting therefrom the educational share and medical and veterinary grants, should be made over to Taluka Boards and that a portion of the Excise revenue, say 10 per cent. or in its place an equivalent additional grant from Provincial revenues should be made available to District Boards. The principle of admitting Local Boards to a share in the Excise revenue is not a new one. Until about 30 years ago the one-anna cess was levied on a portion of the Excise revenue, though not on the whole of it. Even to-day a fixed sum of 1½ lakhs appears under contributions from Provincial to Local as 'contribution in lieu of one-anna cess on Excise revenue.'

This contract grant was fixed at a time when the Excise revenue of the Presidency had not assumed its present proportions, and the Boards have thereby been deprived of a share in the increase which otherwise would have been theirs. In view of the fact that, in regard to communications at any rate, the District Boards have for the most part to bear a burden which should really fall on the Provincial revenues, it is not an extravagant demand that at least one-tenth of the income from Excise should be handed over to these bodies to enable them to discharge their duties in a satisfactory manner. As regards the powers of these Boards, I think that the present law is on the whole sufficient, though, as in the case of Municipalities, some of the restrictions may have to be relaxed.

District Councils.—I now come to the very important question of District Councils. The three evils of the present system of District Administration are its secrecy, its purely bureaucratic character and its departmental delays. Important questions affecting the interests of the people are considered and decided behind their backs on the mere reports of officials, only final orders being published for general information, as though the people existed simply to obey. The constant references, backwards and forwards, which an excessive multiplication of Central Departments has necessitated, involve long and vexatious delays even in the disposal of petty matters and are a fruitful source of irritation and suffering to simple villagers. The Collector is the chief representative of the Executive Government in a district and to prevent the evils of an uncontrolled exercise of power, he is subjected to a series of checks in his work. These checks are, however, all official; they are all exercised by the members of his own Service, of which he himself as a rule is a fairly senior officer, and though they may serve to prevent gross abuses of power, I fear they are not of much value in promoting efficient administration and they certainly hamper him largely in the prompt discharge of his duties. What the situation requires is not such official checks exercised from a distance, but some control on the spot on behalf of those who are affected by the administration. For this purpose I would have in every district a small Council of non-officials, two-thirds of them elected by the non-official members of the District Board and one-third nominated by the Collector. Thus in Poona, I would have a District Council of 9 members, 6 to be elected by the non-official members of the District Board, constituted as already outlined and the remaining 3 nominated by the Collector of Poona. If such a Council is created I would make it obligatory on the Collector to consult it in all important matters and I would delegate to him large additional powers to be exercised in association with the Council so that ordinary questions affecting the administration of the district should be disposed of on the spot without

unnecessary reference to higher officials. What actual powers should be thus delegated will have to be determined by a Committee appointed specially for the purpose. Roughly, I would classify matters coming before the Collector under four heads:—

(a) Confidential.

(b) Those which must be referred to the Central Government, but in regard to which the Collector must ascertain and forward to the Government the opinion of the District Council.

(c) Those which the Collector should dispose of finally if he is able to carry the District Council with him, but which he must otherwise refer to the Central Government, and

(d) Those which he may decide as he deems best even against the opinion of the District Council.

Confidential matters will necessarily have to be withheld from the District Councils. As regards (b), (c) and (d), I indicate below the nature of the questions that may come under them. It will of course be understood that my object is merely to illustrate what questions, in my opinion, should be dealt with in the different ways proposed and not to give exhaustive lists of such questions.

Matters which may be placed under (b).

- (1) Legislative proposals.
- (2) Proposals of revision settlements.
- (3) Revision of water-rates.
- (4) Recommendations about remissions of land revenue.
- (5) Creation of new Municipalities.
- (6) Extension of the operation of Acts to new areas.
- (7) Imposition of punitive Police.
- (8) Creation of new posts.

Matters which should come under (c).

- (1) Opening, location and abolition of liquor shops.
- (2) Suspensions of land revenue.
- (3) Levy of building fines.
- (4) City survey proposals.
- (5) Organization of local supply from forests.
- (6) Opening of new and closing of old schools.
- (7) Establishment of Village Panchayats and Unions.
- (8) Suspension of Taluka Boards, Municipalities, Panchayats and Unions.
- (9) Creation of Benches of Magistrates.
- (10) Rules regulating fairs, processions, &c.
- (11) Assumption of property under the Court of Wards Act.

Matters which may come under (d).

- (1) Urgent precautionary measures against plague, cholera and other epidemics.
- (2) Measures for preservation of peace.
- (3) Measures of famine relief.

I would allow the members to initiate, where necessary, the consideration of such questions or grievances as in their opinion should be brought to the notice of the Collector, and I would make the Collector the real head of all the Departments of Executive Administration in his district except in matters which require technical or expert knowledge. It will be seen that the District Councils will be only advisory bodies—advisory in the sense that no resolution of theirs can take effect unless it is accepted by the Collector. If this machinery is brought into existence and if larger powers are then delegated to the Collector, I would have above the latter only one higher authority in the Presidency, viz., the Central Government. This means the abolition of all the Commissionerships except that in Sind. The Collectors will then correspond direct with the Central Government and probably a third member will have to be added to the Executive Council. To enable the Government to exercise general supervision over District Administration, it will be necessary to appoint Inspectors-General, who will tour round the Presidency and do inspection work on behalf of the Government. Expert advisers will also be necessary for those branches of the Administration which require high technical or scientific knowledge. But the only authority from whom the Collectors will receive orders will be the Central Government.

I am confident that the creation of District Councils as suggested above will be attended with beneficial results. The view has been expressed that no such bodies need be called into existence and that the only thing required to meet the necessities of the situation is to delegate larger powers to the Collector. All I can say is that those who tender such advice do not correctly understand the spirit of the times. What is wanted is not a mere increase of official efficiency, assuming that such increase can be secured by following the course proposed. I have already pointed out that a return to the old benevolent autocracy of the Collector is no longer possible and any attempt in this direction will not only fail but will be widely resented. The cry of the people everywhere is that the car of Administration should not merely roll over their bodies but that they themselves should be permitted to pull at the ropes. Increased proficiency in the vernaculars on the part of District Officers or more determined attempts to promote social intercourse are only surface remedies, which will not touch the real root of the evil. We want an *interest* in the Administration around us. The educated classes are only *critics* of the Administration to-day because the Government does not realize the wisdom of enlisting their co-operation. Some people imagine an antagonism between the interests of the educated classes and those of the masses and they hope to fortify themselves by winning the gratitude of the latter as against their unpopularity with the former. This, however, is a delusion of which the sooner they

get rid the better. The educated classes are the brain of the country, and what they think to-day, the rest of the people will think to-morrow. The problem of bringing the Administration into closer relations with the people is essentially a problem of associating the educated classes with the actual work of the Administration. With Village Panchayats at the bottom, District Councils in the centre and reformed Legislative Councils at the top, this problem will have been fairly faced, so far as the exigencies of the present are concerned.

APPENDIX—G.

THE SERVANTS OF INDIA SOCIETY.

(Established at Poona on 12th June 1905.)

For some time past, the conviction has been forcing itself on many earnest and thoughtful minds that a stage has been reached in the political education and national advancement of the Indian people, when, for further progress, the devoted labours of a specially trained agency, applying itself to the task in a true missionary spirit, are required. The work that has so far been done has indeed been of the highest value. The growth, during the last fifty years, of a feeling of common nationality, based upon common tradition, common disabilities and common hopes and aspirations, has been most striking. The fact that we are Indians first, and Hindoos, Mahomedans, Parsees or Christians afterwards, is being realised in a steadily increasing measure, and the idea of a united and renovated India, marching onwards to a place among the nations of the world worthy of her great past, is no longer a mere idle dream of a few imaginative minds, but is the definitely accepted creed of those who form the brain of the community—the educated classes of the country. A creditable beginning has already been made in matters of education and of Local Self-Government; and all classes of the people are slowly but steadily coming under the influence of liberal ideas. The claims of public life are every day receiving wider recognition, and attachment to the land of our birth is growing into a strong and deeply cherished passion of the heart. The annual meetings of the National Congress and of Provincial and other Conferences, the work of Political Associations, the writings in the columns of the Indian Press—all bear witness to the new life that is coursing in the veins of the people. The results achieved so far are undoubtedly most gratifying, but they only mean that the jungle has been cleared and the foundations laid. The great work of rearing the superstructure has yet to be taken in hand, and the situation demands, on the part of workers, devotion and sacrifices proportionate to the magnitude of the task.

The Servants of India Society has been established to meet in some measure these requirements of the situation. Its members frankly accept the British connection, as ordained, in the inscrutable dispensation of Providence, for India's good. Self-Government on the lines of English Colonies is their

goal. This goal, they recognise, cannot be attained without years of earnest and patient work and sacrifices worthy of the cause. Moreover, the path is beset with great difficulties—there are constant temptations to turn back—bitter disappointments will repeatedly try the faith of those who have put their hand to the work. But the weary toil can have but one end, if only the workers grow not faint-hearted on the way. One essential condition of success is that a sufficient number of our countrymen must now come forward to devote themselves to the cause in the spirit in which religious work is undertaken. Public life must be spiritualised. Love of country must so fill the heart that all else shall appear as of little moment by its side. A fervent patriotism which rejoices at every opportunity of sacrifice for the motherland, a dauntless heart which refuses to be turned back from its object by difficulty or danger, a deep faith in the purpose of Providence that nothing can shake—equipped with these, the worker must start on his mission and reverently seek the joy which comes of spending oneself in the service of one's country.

The Servants of India Society will train men, prepared to devote their lives to the cause of the country in a religious spirit, and will seek to promote, by all constitutional means, the national interests of the Indian people. Its members will direct their efforts principally towards (1) creating among the people, by example and by precept, a deep and passionate love of the motherland, seeking its highest fulfilment in service and sacrifice, (2) organising the work of political education and agitation and strengthening the public life of the country, (3) promoting relations of cordial goodwill and co-operation among the different communities, (4) assisting educational movements, especially those for the education of women, the education of backward classes and industrial and scientific education, and (5) the elevation of the depressed classes. The headquarters of the Society will be at Poona, where it will maintain a Home for its members, and attached to it, a library for the study of political questions. The following constitution has been adopted for the Society.

1. The Society shall be called "The Servants of India Society."
2. The objects of the Society are to train men to devote themselves to the service of India as national missionaries and to promote by all constitutional means the national interests of the Indian people.
3. The Society will consist of (a) a First Member, (b) Ordinary Members and (c) Members under training.
4. The First Member will be the Head of the Society and will hold office for life.
5. Every member, on admission, shall undergo a special training for a period of five years. During this period, he will be known as a "Member under training." When a member has completed his

five years' discipline, he will be styled an "Ordinary Member of the Society.

6. Every member of the Society shall be a member for life.

7. The affairs of the Society will be managed, in accordance with bye-laws framed for the purpose, by the First Member, assisted by a Council of three Ordinary Members, of whom one will be nominated by him and two elected by the Ordinary Members. Every second year, one member of the Council shall retire by rotation, but he will be eligible for re-nomination or re-election, as the case may be.

8. No person will be admitted as a member of the Society, unless his admission is recommended by the Council and the recommendation accepted by the First Member.

9. Every member, at the time of admission, shall take the following seven vows :—

(a) That the country will always be the first in his thoughts and he will give to her service the best that is in him.

(b) That in serving the country he will seek no personal advantage for himself.

(c) That he will regard all Indians as brothers, and will work for the advancement of all, without distinction of caste or creed.

(d) That he will be content with such provision for himself and his family, if he has any, as the Society may be able to make. He will devote no part of his energies to earning money for himself.

(e) That he will lead a pure personal life.

(f) That he will engage in no personal quarrel with any one.

(g) That he will always keep in view the aims of the Society and watch over its interests with the utmost zeal, doing all he can to advance its work. He will never do anything which is inconsistent with the objects of the Society.

10. Every Member under training shall, during the time that he is under training, place himself under the entire guidance and control of the First Member and shall do such work and devote himself to such studies as the First Member may direct. The work and the studies will be so arranged that of the five years of special discipline the Member under training may spend about two years in visiting the different parts of India, and the remaining three in prosecuting political studies in the Society's Home at Poona.

11. An Ordinary Member, *i.e.*, one who has completed his five years' special discipline, may be sent by the First Member and Council to any part of India on special duty or for general work in connection with the Society. He will do the work assigned to him, under the general direction of the First Member and Council, and will obey all orders and instructions that he may receive from them.

12. Every Ordinary Member shall reside for at least two months every year in the Society's Home at Poona.

13. The Society may remove the name of any member from its roll of members on a recommendation to that effect being made by the Council, with the concurrence of three-fourths of the members of the Society, and on the recommendation being accepted by the First Member.

14. It will be the duty of the First Member to recommend in writing to the Council the names of three Ordinary Members, out of whom the members of the Society shall elect a successor to him as First Member, on a vacancy occurring. If no such recommendation has been received by the Council when the vacancy occurs, the members of the Society may elect any Ordinary Member, or in the absence of a suitable Ordinary Member, any member to succeed as First Member.

15. In special circumstances, the First Member may exempt, for reasons to be recorded in writing, any member of the Society from the operation of any rule, save rule No. 9.

16. Applicants for membership may be required to pass through a period of probation before admission as Members and may, in such cases, be accepted as Probationers on such terms and for such period as the First Member and Council may determine.

17. The First Member and Council may remove the name of any Probationer from the list of Probationers before the expiry of the period of probation. The Society will not be bound to disclose the reasons for such removal.

18. The Society may admit any person, who in the opinion of the First Member is capable of being trained to assist efficiently Members of the Society in their work and who is prepared to devote his life to such work, as a Permanent Assistant of the Society on such terms as the First Member and Council may determine.

19. A Permanent Assistant may, on grounds of special fitness and after a period of approved service of not less than three years, be admitted as a Member of the Society.

20. The First Member and Council may remove the name of any Permanent Assistant from the list of Permanent Assistants of the Society. The Society will not be bound to disclose the reasons for such removal.

21. The Society may admit any person who is prepared to place himself for a period of not less than three years under the guidance of the First Member for work and studies as an Attaché of the Society on such terms as the First Member and Council may determine.

22. Attachés, during the period of their connection with the Society as Attachés, shall be subject to the same discipline as

Members under training, save that they will not be required to live in the Home of the Society.

23. The first Member and Council may remove the name of any Attachè from the list of Attachès of the Society. The Society will not be bound to disclose the reasons for such removal.

24. The Society may enroll persons, who are in full sympathy with its objects and who are prepared to devote a portion of their time and resources to the furtherance of its works, as Associates of the Society for such period as the First Member and Council may determine.

25. Probationers, Permanent Assistants, Attachès and Associates will have no voice in the management of the affairs of the Society and no interest in the Society's property or funds.

26. All property of the Society shall belong to the Society in its corporate character, and no member, in his individual capacity nor the heirs, executors or assigns of any member, shall have any right to any portion of it.

27. The property of the Society shall be held by three Trustees, one of whom will be the First Member for the time being, and the other two such members as may be elected by the members of the Society for the purpose.

28. All contracts entered into for and on behalf of the Society shall be in the name of the First Member. In all suits brought by or against the Society, the Society shall be represented by the First Member.

29. The Society shall not be dissolved by the death, secession, or removal of any member.

30. The First member may, with the concurrence of a majority of the Ordinary Members of the Society, make, alter or rescind any bye-law or bye-laws for (1) the management of the affairs of the Society and the conduct of its business; (2) the custody, disposal, and control of the funds of the Society; (3) the provision to be made for members of the Society and their families and the grant of special allowances to them in special circumstances; (4) the grant of leave to members of the Society; (5) the grant of subsistence allowances to Attachès and Permanent Assistants of the Society; and (6) the carrying out in other ways of the objects of the Society.

31. No alteration shall be made in this constitution, unless it is recommended by the Council with the concurrence of three-fourths of the members of the Society, and the recommendation is accepted by the First Member.

32. During the first five years of the Society's existence, there will be no Council, and all powers vested in the First Member and Council or in the Council only under this constitution will be exercised by the First Member, acting singly.

APPENDIX H.

THE SEDITIOUS MEETINGS ACT.

[*At a meeting of the Supreme Legislative Council held in November 1907, the Hon'ble Sir Harvey Adamson moved that the Report of the Select Committee on the Bill to make better provision for the prevention of meetings, likely to promote sedition or to cause a disturbance of public tranquillity be taken into consideration. The Hon'ble Mr. Gokhale said:—*]

"For many years now it has been a well-established practice of this Council that no important legislation—especially of a controversial character—should be enacted at Simla, but it should be reserved for the session at Calcutta, where alone the assistance of all Additional Members is available. This practice has behind it the authority of a clear instruction from the Secretary of State. Thirty-two years ago, on the Government of Lord Northbrook passing an important measure at Simla, Lord Salisbury, then Secretary of State for India, deemed it necessary to address a remonstrance to the Governor-General in Council in the following words: 'In providing that laws for India should be passed at a Council consisting not only of the Ordinary Members of the Executive Government, but of Additional Members specially added for the purpose (of whom some have always been unofficial), it was the clear intention of Parliament that in the task of legislation the Government should, in addition to the sources of information usually open to it, be enlightened by the advice and knowledge of persons possessing other than official experience. Of these you were unfortunately deprived in discussing the subject in respect to which the assistance of non-official Councillors is of special value. My Lord, it is a matter for deep regret that the Government of India should have thought it proper to depart from this wise and salutary practice in the present instance. But the absence of most Additional Members from to-day's meeting is not my only ground of complaint against the course adopted by Government. I think it is no exaggeration to say that this Bill has been received throughout the country with feelings of consternation and dismay, and yet it is being rushed through this Council in such hot haste, that practically no time has been allowed to the public to state its objections to the measure. The Hon'ble Sir Harvey Adamson, in introducing the Bill last Friday, observed: 'From the date of its publication in the *Gazette* to the date on which it will be finally considered, an interval of twenty days has been allowed. I am confident that the time is sufficient for a full consideration of the merits of the Bill.' I suppose the Hon'ble Member was indulging in a bit of cynical humour when he said this. Else, My Lord, it is not possible to understand his statement. I presume the object of publication is to give the public affected by the proposed legislation an opportunity to say what it thinks of the measure. This it can only do after it has had time to examine the provisions of the Bill, and such examination must, in

fairness to Government, be made in the light of the reasons adduced by the Member in charge in introducing it. Now, My Lord, this Bill was published at Simla on 11th October, and its provisions, as telegraphed from here, appeared in the columns of the daily press of the country on the morning of the 12th. There are only seven or eight towns in the whole of India which have a daily press of their own. Of the others, the more important ones, which are served by these same dailies, have to wait for a day or two, and, in some cases, for even three or four or five days, before they get their daily budget of news. The smaller towns have, as a rule, to content themselves with weekly newspapers only. The Hon'ble Member must therefore allow at least a week's time for anything telegraphed from here to spread all over so vast a country as India. Then, My Lord, the Bill was introduced in this Council only on 18th October, and a telegraphic report of the Hon'ble Member's speech in introducing it appeared in the dailies only on the morning of the 19th. Allowing another week as the very least time required for the speech to penetrate into the interior of the country, it brings us down to 26th October as the earliest date by which the whole case of the Government may be assumed to have been before the people. After this, some time would be required for deliberation, for the formulation of objections and for these objections to reach the Government; and even if a month had been allowed for this purpose, it would hardly have sufficed. Meanwhile, what happens here? The Select Committee, to whom the Bill was referred for consideration, meets on 22nd October, concludes its deliberations on 23rd, and makes its report on 24th! Now, every one knows that once the Select Committee has made its report, the door is closed on all further modifications, and therefore for any expression of public opinion to be of the slightest value in influencing the character or details of a Bill, it must reach the Government before the Select Committee finishes its labours. It is for this reason that the Rules of this Council lay down that ordinarily a Select Committee shall not make its report sooner than three months from the first publication of a Bill in the *Gazette of India*. In the present case the Select Committee had not the advantage of a single expression of public opinion to assist it; and even those few telegraphic protests, which had been received by the Government and of which some of us had received copies independently, were not laid before the Committee. My Lord, in the face of these facts, to speak of having allowed sufficient time to the public for a full consideration of the Bill is to mock public opinion. Better far that the Hon'ble Member had said: The Legislature exists in India only to register the decrees of the Executive. The passage of a Bill through the Council is a mere formality, and on occasions like the present an inconvenient formality. We are facing the inconvenience in this case simply because we *must* face it. But the people may as well spare themselves the trouble of making any representations to us. For we have made up our mind and nothing they can possibly say will affect our determination to make this.

addition to the Statute-book. Moreover, it is not for them to reason why or to make reply. Their only business is to obey.' That the Hon'ble Member is not wholly unconscious of the fact that he has given practically no time to the public for what he calls 'a full consideration of the merits of the Bill' may be seen from his providing himself with a second line of defence. He says that though the Bill has been before the public for a few days only, the Ordinance which was promulgated in May last for the Provinces of East Bengal and the Punjab has been before the country for the last five months! He might as well have said that we had the History of Ireland before us all these years, or that we could not be altogether ignorant of what was taking place before our eyes in Russia!

"My Lord, I can imagine circumstances of such extreme urgency and such extreme gravity as to necessitate the passing of a law of this kind and passing it even in the manner the Government have adopted. Had there been an active and widespread movement of resistance to authority afoot in the country, if breaches of public peace had been frequent, if incitements to violence had been the order of the day, I can understand the Executive wanting to arm themselves with these vast powers of coercion. But, My Lord, can any one truthfully say that such a state of things has arisen in the country? On the contrary, I assert, without fear of contradiction, that there is nothing in the circumstances of the land which constitutes even a distant approach to such a situation. It is true that there is widespread discontent throughout the country and very acute discontent in one or two Provinces, and to this discontent is now being added a fresh feeling of resentment—daily growing deeper and stronger—on account of the policy of repression on which the Government have embarked. But of active disaffection there is really very little anywhere, and whatever there is, is due to causes which lie almost on the surface, and should, therefore, be not difficult to understand. The Statement of Objects and Reasons, appended to the Bill, says: 'The occurrences of the last six months have convinced the Government of India that it is necessary, for the preservation of the public peace and for the protection of the law-abiding members of the community; to incorporate in the general law an effective measure for the prevention of seditious meetings and to take power to bring its provisions into operation in any part of India as occasion may require.' And the Hon'ble Member, in introducing the Bill, observed: 'We had hoped that the need for an enactment of this kind would cease before the Ordinance expired, but in this hope we have been disappointed. It has become painfully apparent that persistent attempts continue to be made to promote sedition and to cause such ill-feeling as is calculated to disturb the public tranquillity, and that these attempts are not confined to the two Provinces which came under the scope of the Ordinance.' My Lord, these are serious but vague statements, and I am astonished that the Hon'ble Member has not seen the necessity of supporting them by the testimony of

facts. He mentions no cases, no statistics; one general assertion that persistent attempts continue to be made to promote sedition, and he thinks he has established the need for enacting a drastic law of this kind for the whole country! With due deference, I submit this is not a fair proceeding, and the vast bulk of the people throughout India, who are perfectly law-abiding, have just cause to resent it. Let us examine the Hon'ble Member's contention a little closely. He says, first, that he had hoped that, after the expiry of the Ordinance of May last, it would be unnecessary to renew its policy in the two Provinces in which it was in force, but that in this hope he has been disappointed; and secondly, that unless that policy is extended to all the other Provinces of India, public tranquillity in those Provinces also would be in danger of being disturbed. Now, what are the facts? Let us take the Punjab first. In the whole of this Province there has been, as far as I am aware, only one public meeting since the promulgation of the Ordinance. It was held in Dehli, before Dehli was proclaimed; it was attended by both Hindus and Mahomedans, and its object was to express regret at Lala Lajpat Rai's deportation. There has been no disturbance of public tranquillity anywhere in the Province during the time. The Hon'ble Member will very probably say—'But this is all due to the Ordinance'! Assuming, for a moment, for the sake of argument, that it is so, the fact remains that the Hon'ble Member has no reason to complain of any disappointment in the Punjab. Turning next to East Bengal, we find that there too, after the Hindu-Mahomedan disturbances, which led to the promulgation of the Ordinance, were over, there has been no public disturbance. There have also been no public meetings held in defiance of the Ordinance, so far at least as the public is aware. A District Conference was proposed to be held at Faridpur with the District Magistrate's permission, but on his objecting to two of the resolutions on the Agenda paper—one about the deportation of Lala Lajpat Rai, and the other about the boycott of foreign goods—the organisers thought it best to abandon the Conference. There was great public indignation and disappointment in consequence, but there was no breach of the peace. It is possible that the Secret Police have been sending up to Government reports of meetings held surreptitiously in private houses in proclaimed areas in Eastern Bengal, and indeed the Hon'ble Member says as much in his speech of 18th October. But in the first place, it is necessary to accept with great caution what the Secret Police say in their reports, as the trial at Rawalpindi and other recent events have shown. And, secondly, even assuming that such meetings have been held, there have been no breaches of the peace, and no serious harm seems to have been done; and I think in affairs of State, no less than in private life, it is often the part of wisdom to wink at things, which it is difficult to prevent and which do no serious harm to anybody. So much about the two Provinces in which the Ordinance has been in force since May last. Outside these Provinces, public disturbances have

taken place only in two places in all India—one at Cocanada, in the Madras Presidency, some time ago, and the other at Calcutta more recently. The former had its origin in an assault made by a European officer on a student for shouting the words *Bande Mataram*. In the latter, the Police themselves are alleged to have been the aggressors. But whatever the origin of these two disturbances, and however much one may deplore them, they certainly do not furnish any justification for saddling the whole country with such a measure as the Council is asked to pass into law to-day. As regards public meetings in the different Provinces, with the exception of some held in Calcutta, I do not think that they have been of a character to attract special public attention. Strong things have no doubt been said at some of these against the Government and even wild things have probably been said at a few, but this has been largely due to the measures of repression which the Government have thought fit to adopt since May last. My Lord, I do not think there is really anything in the situation of the country which may not be dealt with adequately by the ample powers which the Government already possess under the existing law, if those powers are exercised with tact, judgment and firmness. In any case there is nothing of such urgency and such gravity as to require an immediate resort to the dangerous provisions of this Bill and to justify its being rushed through this Council in this manner. The Hon'ble Member says that as the Ordinance of May last expires on 10th November, unless the Bill is passed before that date, there would be a *hiatus*. This applies only to Eastern Bengal and the Punjab, and of these, the Punjab has been so absolutely quiet that the Government of India may well give it a chance of being again under the ordinary law. And as regards East Bengal, if the situation showed signs of real anxiety, the Government could issue another Ordinance, or legislation might be undertaken in the Local Legislative Council. In such matters it seems to me far fairer that if there must be legislation, it should be undertaken by Provincial Governments in their own Councils. Such a course will ensure a proper discussion, with full knowledge on both sides, of all the special circumstances of a Province, on which the Executive base their demand for extraordinary powers. It will also obviate the risk of enacting coercive legislation for those Provinces for which the ordinary law ought to suffice.

“My Lord, the bulk of the educated classes in India feel, and feel keenly, that during the last six months, their aims and their activities have been most cruelly misrepresented before the British public, and that they have not had fair play during the time. Exaggerated importance has been attached to the utterances of a few visionaries, and advantage has been taken of every accidental circumstance to represent an agitation for reform and for the removal of specific grievances as a moment of revolt. The malignant activity of certain unscrupulous Press correspondents has been largely responsible for achieving this result, but unfortunately colour has been lent to their stories by the series of repressive

measures which the Government themselves have adopted. The saddest part of the whole thing is that the Secretary of State for India has fallen a victim to these grievous misrepresentations. Possessing no personal knowledge of the people of this country, and overwhelmed with a sense of the vast responsibilities of his office, he has allowed his vision to be obscured and his sense of proportion to be warped. From time to time he has let fall ominous hints in the House of Commons, and more than once he has spoken as though some great trouble was brewing in India, and the country was on the eve of a dark disaster. My Lord, in these circumstances, the passing of a Bill like the present and in such hot haste, is bound to have the effect of confirming the false impression which has been already created in England, and this cannot fail to intensify and deepen still further the sense of injustice and injury and the silent resentment with which my countrymen have been watching the course of events during the last few months. I think the Government are repeating in this matter the great mistake they made when they partitioned Bengal. Whatever advantages as regards administrative efficiency may have been expected from that measure, it has cost the Government the good will of the vast majority of the people of that Province, and this is a loss which no amount of administrative efficiency can balance or compensate. Similarly, for one man whose wild talk the Government may be able to prevent by this Bill, nine hundred and ninety-nine will smart under a sense of injury that they have been placed under a law which they have not deserved and their minds will drift away silently and steadily from the Government, till at last their whole attitude towards the administration is changed.

"My Lord, so much has of late been said and heard of sedition in India, that a brief inquiry as to how far it really exists and to the extent to which it may exist, what is its origin and its character, may not be out of place at to-day's meeting. Five years ago, when Lord Curzon announced to the whole world at the Delhi Durbar that the people of India were frankly loyal to the British connection and the British Crown, I believe he stated but the bare truth. Now, when any one speaks of loyalty in India in this connection, he speaks not of a sentiment similar to that of feudal Europe or of Rajput India, but of a feeling of attachment to British rule, and of a desire for its stability based on enlightened self-interest—on an appreciation of what the rule has on the whole done for the people in the past and of the conditions which it ensures for future progress. In this sense the educated classes of India have been from the beginning entirely loyal. It was, however, inevitable that they should gradually grow more and more dissatisfied with their own position in the country and with the existing system of administration, and twenty-two years ago they started an organized agitation for reform. This agitation, perfectly constitutional in its aims and methods, rapidly grew all over the country from year to year. It had not received much encouragement from the Government, but no serious obstacles had anywhere been thrown in its way, and its current flowed more or

less smoothly and on the whole free from racial bitterness till Lord Curzon's time. Then came a great and, in some respects, a decisive change. Lord Curzon's reactionary policy, his attempt to explain away the Queen's Proclamation, his unwise Convocation speech at Calcutta—all these produced intense exasperation throughout India. This exasperation was the worst in Bengal, because, though Lord Curzon's measures affected all India, they fell with special weight on Bengal. And when on the top of these measures the Partition of Bengal was carried through, a bitter and stormy agitation sprang up in that Province, in which the general agitation for reform soon got completely merged. The bitterness of Bengal agitation gradually came to communicate itself to the reform movement all over the country by a sort of sympathetic process. Bengal has always been the home of feeling and of ideas more than any other part of India. The people took to heart very deeply the failure of their agitation against Partition, and then the more reckless among them began to ask themselves new questions and came forward to preach what they called new ideas. It is true that they have received a certain amount of hearing in the country, but that is more on account of the passion and poetry of their utterance than on account of any belief in the practicability of their views. Their influence, such as it is to-day, is due to the alienation of the public mind from the Government, which has already occurred, but which the Government have it still in their power to set right. Measures of repression will only further alienate the people, and to that extent will strengthen this influence.

"At the beginning of this year, another acute agitation sprang up, this time in the Punjab, against the Colonisation Bill and other agrarian grievances, and here a fresh element of bitterness was added to the situation by the State prosecution of the *Punjabee* on a charge of exciting racial ill-will, when the *Civil and Military Gazette* had been let off with only a gentle remonstrance. This agitation too on its side swallowed up for the time the general reform agitation in the Punjab, and the reform movement in other parts of India could not escape being affected by it. Then came the demonstrations at Lahore and the disturbance at Rawalpindi, and then the repressive measures of the Government—notably the deportation of Lala Lajpat Rai, the arrest and prosecution of Rawalpindi pleaders and the Public Meetings Ordinance. The whole country was convulsed, and while the Punjab itself was paralysed, in other parts of India even the most level-headed men found it difficult to express themselves with due restraint. That a man like Lala Lajpat Rai, loved by thousands not in his own Province only, a man of high character and of elevated feeling, a keen religious and social reformer, and a political worker, who, whatever his faults, worked only in broad daylight, should have been suddenly arrested and deported without a trial—this was a proceeding which stunned the people throughout India. And as regards the Rawalpindi case, what shall I say! For four months

the whole country witnessed the spectacle of the venerable Lala Hansraj, a man as incapable of promoting disorder as any member sitting at this table—with other gentlemen equally respectable, rotting in the lock-up on a charge of inciting to violence and conspiring against the Crown! My Lord, it will be long before the memory of the sufferings of these men is wiped from the public mind. Meanwhile the country is waiting to see how the authorities deal with those who brought these sufferings on them by producing evidence which the trying Magistrate has pronounced to be 'most untrustworthy and probably fabricated'! My Lord, with these things happening in the country, is it any wonder that the voice of those who counsel patience and moderation and self-restraint should be for the time at a discount among their countrymen? The occurrences of the last six months have afforded ample encouragement to those who like to talk strongly and do not occasionally mind talking wildly.

"This then is the position. A few men in Bengal have now taken to preaching a new gospel, and here and there in the country one occasionally hears a faint echo of their teaching. But their power to influence the people—to the extent to which they are able to influence them—is derived mainly from the sense of helplessness and despair which has come to prevail widely in the country, both as regards the prospects of reform in the administration and as regards the removal of particular grievances. The remedy for such a state of things is therefore clearly not more repression but a course of wise and steady conciliation on the part of the Government. Your Lordship has already taken a most important step in the direction of such conciliation so far as the Punjab is concerned by vetoing the Colonisation Act. Let the work of conciliation be carried further—let the deported prisoners be brought back, and if the Government have anything against them, let them have a fair trial; and let the Province remain under the ordinary law after the Ordinance expires. As in the Punjab the Colonisation Act has been vetoed, so in Bengal let Partition be modified in some manner acceptable to the Bengalees. The causes of acute discontent in these two Provinces will then have disappeared and the old stream of a movement for reform will be separated from the bitter tributaries that have recently mingled with it. The Government can then deal with the question of reform on its own merits, and if it is handled in a spirit of broad-minded statesmanship, a solution may be arrived at which will give general satisfaction. In this connection, I would like to say a word about a remark that fell from the Hon'ble Sir Harvey Adamson on 18th October. Speaking of the necessity of coercion, the Hon'ble Member said: 'The Government of India have all along recognized that unrest is not solely the outcome of seditious agitation, but has its basis on the natural aspirations of the educated Indians. To meet these aspirations and to associate Indians more closely in the administration of the country, we formulated a large and generous scheme of reform which is now before the public for criticism.' And he proceeded

to express his disappointment at the reception which the schemes had met with and to complain that that reception showed that the Government had to deal with a section of irreconcilables. My Lord, I am sure the Hon'ble Member had no intention of branding all who are unable to grow enthusiastic over the Government proposals as 'irreconcilables.' The words employed by him have, however, been so understood, as may be seen from the telegram of the Bombay Presidency Association, and this is rather unfortunate. But what I want to say is this. If the Hon'ble Member expected that the publication of the Government scheme of August last would allay the discontent in the country in any degree, he was bound to be disappointed. The scheme is neither large nor generous and in some respects it is not a scheme of reform at all. And the general disappointment which it has occasioned has necessarily intensified the prevailing feeling of discontent. As though this was not enough, the language employed in explaining the proposals is in some places unnecessarily offensive to certain classes. And taken as a whole, the document, I regret to say, lacks that dignity of statement which one always likes to see associated with an important State paper.

"My Lord, it has been said that though this Bill may be passed for the whole country, yet the people of any given place have two safeguards before they actually come under its provisions. The first is that the Government of India must extend this Act to their Province and the second is that the Local Government must notify the place as a proclaimed area. A little consideration will, however, show that there is really not much in either of these safeguards. The first is purely nominal. A place may be absolutely free from sedition of any kind and yet if it is thought that some other place in the same Province requires the application of the provisions of this Act, the Government of India have no option but to extend the Act to the whole Province. And thus for the sake of even one place, a whole Province will have this Act applied to it. Again, when the Act has thus been extended to a Province, any place therein may find itself suddenly proclaimed for the seditious activity, real or supposed, of only a few persons, though the vast bulk of the population may be perfectly law-abiding and free from the faintest suspicion of sedition. And once an area is proclaimed, the whole population will be indiscriminately made over to police rule. It is this fear which, apart from other objections, lies at the root of the great anxiety and alarm with which the Bill is regarded in all parts of the country. The Hon'ble Member says that when it is thought necessary to proclaim an area, 'it is reasonable that law-abiding persons residing within that area should be prepared to suffer some slight inconvenience for the public good'. I wonder what the Hon'ble Member's idea of a slight inconvenience is. Is it a slight thing to be exposed to the annoyance and unpleasantness of domiciliary visits? Or to have social parties of more than twenty persons raided upon or broken up, and the host and even guests hauled up for holding a 'public meeting' without notice? The

presumption of clause 3, sub-clause (3), may be successfully rebutted in Court and the Magistrate may acquit. But think of the trouble and misery which may be most needlessly caused. My Lord, with the kind of police we have in the country,—men, for the most part, without scruple and without remorse—these are not imaginary fears. We have just seen at Rawalpindi what they are capable of. Other instances can also be cited, where cases have been manufactured from start to finish. It is true that the intention of the Bill is not to interfere with social parties. It is also true that under section 4, notice has to be given only of such public meetings as may be called for the discussion of particular subjects. But a Police-officer who is interested in getting any man into trouble can always pretend that a gathering of more than twenty persons was a public meeting, and it will not be difficult for him to arrange for a little evidence that the gathering was held for the discussion of a political subject. And under the plea that an offence was taking place, viz., that a public meeting was being held without notice, he may want to be admitted to the place of the gathering. If the host is a strong man and knows his legal rights well, he may resist the officer and decline to admit him. But he may then find himself hauled up before a Magistrate and must be prepared to face a trial. But for one strong man who will thus defy the Police, nine will tamely yield. Moreover, in those cases which may go before a Court, how the Magistrate will construe the definition of 'public meeting' must always remain a matter of uncertainty. A curious illustration of this is supplied by the Hon'ble Member himself. Last Friday, the Hon'ble Member told the Council that the object of adding sub-clause (3) to clause 4 was to exempt meetings like Municipal meetings from the requirements of notice or permission. 'If the provision,' he observed, 'were construed rigidly, it might be necessary to give notice or obtain permission before holding Municipal meetings in a proclaimed area.' In the Hon'ble Member's view, therefore, a Municipal meeting is a public meeting. My hon'ble friend Dr. Ghose, on the other hand, tells me that Municipal meeting cannot be a public meeting under the definition given in the Bill. Now, the Hon'ble Member was Chief Judge of Burma before he became Home Member of the Government of India. And Dr. Ghose is one of the most learned and distinguished lawyers in the country. A difference of opinion between two such authorities in construing the definition of public meeting, even before the Bill has become law, augurs ill for the manner in which the definition may be dealt with by plain or inexperienced Magistrates!

"My Lord, there are other objectionable features of the Bill, but I do not wish to tire the Council with any further observations. The Bill is a dangerous one, and the only satisfactory way to improve it, is to drop it. But more than the Bill itself is, to my mind, the policy that lies behind the Bill. I consider this policy to be in the highest degree unwise. It will fail in India as surely as it has failed everywhere else in the world. It will plant in the

minds of the people harsh memories which even time may not soften. It will by no means facilitate the work of the administration, and it will in all probability enhance the very evil which it is intended to control."

When the Hon. Sir H. Adamson moved that the Bill as amended be passed, the Hon. Mr. Gokhale said:

My Lord, I have not intended saying more than just a word at this stage of the Bill and that only by way of an appeal to Your Excellency. But certain remarks have fallen from the Hon'ble Member in charge of the Bill with regard to the responsibility for this legislation which makes it necessary that I should say a few words in reply as it is impossible to allow those remarks to pass unchallenged. The Hon'ble Member says that the responsibility for this Bill really rests with those who are described as the Moderate section of the Reform Party in India. Now, I for one have never been in love with the terms Moderates and Extremists. There is at times a great deal of moderation among some of those who are called Extremists and, on the other hand, there is no small amount of what is the reverse of moderation among some who are called Moderates. However, I fear the terms as they are now in use will stick and for the purpose of my present observations I will take them as they have been used by the Honourable Member. My Lord, I think it most unfair to put the responsibility for such sedition as there may be in existence in this country on what is called the Moderate Party.

In the remarks which I made at an earlier stage of to-day's proceedings, I went at some length into the question as to how the present situation has come to be developed. I do not want to go over the same ground again, but there are one or two things which I would like to mention and emphasize. My Lord, when the officials in the country talk of sedition they do not always mean the same thing. Different officials have different ideas of sedition. There are those who think that unless an Indian speaks to them with 'bated breath and whispering humbleness' he is seditious. There are others who do not go so far but who still think that any one who comments adversely on any of their actions or criticises the administration in any way or engages in any political agitation is guilty of sedition. Lastly, there are those who take a larger view of the situation and recognise that the term sedition should be applied only to those attempts that are made to subvert the Government. Now, I have no wish to say anything on this occasion about the first two classes of men. I will take sedition in the sense in which it is used by the third class and I will say this, that if such sedition has come into existence it is comparatively of recent growth, a matter of the last three or four years only--and the responsibility for it rests mainly if not entirely on the Government or rather on the official-class. My Lord, from 1885, *i. e.*, since the close of the beneficent Viceroyalty of Lord Ripon, the Congress has been endeavouring to secure much needed reform in the administration. The present form of the administration is about fifty years old. We have long out-

grown that now and the fact is admitted even by officials. But while they admit, in a general sort of way, that changes are necessary, they have some objection or other to urge against every change that is proposed. The result is that there has been hardly any movement forward, in spite of our efforts all these years and the patience of the more impatient among my countrymen has at last given way. In the earlier years of the Congress there used to be some room for a hope that the desired changes in the administration would come. After Lord Ripon came Lord Dufferin who was not unfriendly to the Congress though he was somewhat suspicious and he gave us the Public Service Commission. After him came Lord Lansdowne. He too was, on the whole, friendly though he was overcautious and he gave us the first form of the Legislative Councils. Then came Lord Elgin and from his time the fortunes of the Reform Party have been at a low ebb. Lord Elgin's term of office was darkened by plague, famine and frontier wars and towards its close came repressive legislation against the Press. Then came Lord Curzon. He was a consummate master of glowing speeches and during the first two years of his regime, high hopes were raised in the country. These hopes, however, were soon dashed to the ground on account of a series of reactionary measures which he forced on the people. This disappointment coupled with the sense of constant irritation which we felt during the last three years of his rule proved too much for a section of the Congress Party and they began to declare that their old faith in England's mission in this country was gone. Then came the Partition as the proverbial last straw. The people of Bengal did all they could and all they knew to avert that Partition. Hundreds of meetings were held all over the Province. Prayers and protests poured in upon the Government and the people used every means in their power to prevail upon Lord Curzon to abandon his idea. But he simply treated the whole agitation with contempt and carried his measure through. The men who are called "Moderates" pointed out again and again to the Government the unwisdom of its course. They warned them that the measure if forced on the people in spite of all the furious opposition that was being offered to it, would put too great a strain on their loyalty and that some of them, at any rate, would not be able to stand that strain, and events happened as they had been foreseen. The Hon'ble Member complains that open disloyalty is now being preached in Bengal but no heed was given to the words of the "Moderates" while there was time. And now when the mischief has been done, the Hon'ble Member turns round and wants to throw the responsibility for what has happened on us!

As regards the question of the "Moderates" denouncing the Extremists, it is not such an easy matter. In the first place, I am not sure that there is such an absence of disapproval or remonstrance as the Hon'ble Member imagines. But, secondly, such denunciation is largely a question of temperament. All

people do not always denounce whatever they disapprove. I will answer the Hon'ble Member's question in the matter by a counter question. There are certain Anglo-Indian newspapers which constantly revile Indians. Has the Hon. Member ever denounced anything that has appeared in their columns? I am sure he and many others like him would disapprove what often appears in the columns of the *Civil and Military Gazette* or the *Englishman*, but have any Englishmen in any place ever met together and expressed their condemnation of these papers. I hope the Hon. Member will now see that the question of denouncing those whose conduct you disapprove is not such an easy one. Moreover, with us there is an additional reason. We do not want to make confusion worse confounded. There are already enough divisions, in all conscience, in the country and we do not want to have a fresh cause of contention if we can help it. But let me say this to the Hon. Member whether the "Moderates" remain silent or denounce the Extremists, it will make very little difference in the hold which the Extremists are acquiring on certain minds of India. There is only one way in which the wings of disaffection can be clipped, and that is by the Government pursuing a policy of steady and courageous conciliation.

My Lord, before this motion is put to the vote I would like to say just a few words. Now that the Government have armed themselves with these drastic powers of coercion, I would humbly say to your Lordship—keep these powers in reserve; do not use them immediately as far as possible, and conciliate Bengal. My Lord, there is the root of the trouble: with Bengal unconciliated in the matter of Partition there will be no real peace, not only in Bengal but in any other provinces in India. The whole current of public life in the country is being poisoned by the bitterness engendered in Bengal over this question of Partition. My Lord, I am not a Bengali, and therefore I can say these things with the less reserve and without any fear of being misunderstood. The people of Bengal are the most emotional people in all India, and they will far sooner forget a material injury than one to their feelings. Now in this matter of the Partition—whatever its advantages or disadvantages, I am not concerned with that just now—there is no doubt whatever that the deepest feelings are involved. They feel that they have been trampled upon—and while they feel like that, there can be no peace. Already great alienation has taken place between them and the Government, and every day the position is growing worse.

The refusal of the sufferers in the recent disturbances to appear before Mr. Weston to give evidence is a significant illustration of the change that is coming over Bengal. The Government propose to meet this change by a policy of repression. My Lord, knowing them—the people of Bengal—as I do, I venture to predict that they *will* not be thus put down by force. The Bengalees are in many respects a most remarkable people in all India. It is easy to speak of their faults. They lie on the surface, but they have

great qualities which are sometimes lost sight of. In almost all the walks of life open to the Indians the Bengalees are among the most distinguished. Some of the greatest social and religious reformers of recent times have come from their ranks. Of orators, journalists, politicians, Bengal possesses some of the most brilliant. But I will not speak of them on this occasion because this class is more or less at discount in this place; but take science or law or literature. Where will you find another scientist in all India to place by the side of Dr. J. C. Bose or Dr. P. C. Ray or a jurist like Dr. Ghose or a poet like Rabindra Nath Tagore. My Lord, these men are not mere freaks of nature. They are the highest products of which the race is regularly capable; and a race of such capability cannot, I repeat, be put down by coercion. One serious defect of national character has often been alleged against them—want of physical courage; but they are already being twitted out of it. The young men of Bengal have taken this reproach so much to heart that if the stories in some Anglo-Indian papers are to be believed, so far from shrinking from physical collisions they seem to be now actually spoiling for them. My Lord, if the present estrangement between the Government and the people of Bengal is allowed to continue, ten years hence there will not be one man in a thousand in that province who has a kindly feeling for the Englishmen. The Government will have on their hand a tremendous problem, for there are thirty-three millions of Bengalees and the unwisdom and the danger of driving discontent underground amidst such a population will then be obvious.

My Lord, I appeal to Your Lordship to stanch this wound while there is yet time. I know the question is now complicated by the fact that the Mahomedan population of Bengal expect certain educational and other advantages to accrue to them from partition. No real well-wisher of India can desire that any of these advantages should be withdrawn from them; for the more the Mahomedan community progresses, the better for the whole country. But surely it cannot be beyond the resources of statesmanship to devise a scheme. While the expected advantages are fully secured to the Mahomedans, the people of Bengal may also have their great grievance removed. My Lord, considerations of prestige which have so far stood in the way of this work of conciliation may continue to obstruct it. I cannot understand how a Government, with the vast strength of a mighty Empire behind it, will suffer in prestige by such a line of action. But one thing is certain. Your Lordship has it in your power to set this matter right. And you will earn the blessing not only of Bengal but of all India if this source of continued bitterness and ill-feeling is removed from the land.


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